

UTAH COUNTIES INSURANCE POOL

BOARD OF TRUSTEES MEETING

Thursday, December 15, 2011, 12:00 p.m.

UCIP Offices, 10980 S. Jordan Gateway, South Jordan, UT

AGENDA

12:00 Lunch Provided

12:30 Call to Order

Kay Blackwell

Recess for Public Hearing on 2012 UCIP Budget

Kay Blackwell

Reconvene

ITEM ACTION

1 Review/Excuse Board Members Absent

Kay Blackwell

2 Approve November 17 Meeting Minutes

Steve Wall

3 Ratification and Approval of Payments and Credit Card Transactions

Steve Wall

4 Approve 2012 UCIP Budget

Kay Blackwell

5 Review/Approve Amended 2011 Budget

Johnnie Miller

6 Elect 2012 Officers

Kay Blackwell

7 Appoint Committees of the Board

Kay Blackwell

8 Set Date, Time and Place of Regular Meetings for 2012

Sonya White

9 Review/Approve Amendments to the Coverage Addendum

Bruce Adams

10 Review/Approve Amendments to the UCIP Employee Manual

Johnnie Miller

11 Review/Approve 2012 Workers Compensation Fund Premium

Johnnie Miller

12 Set Date and Time for Closed Meeting

to Discuss Character, Professional Competence, Physical/Mental Health of an Individual

Kay Blackwell

13 Action on Personnel Matters

Kay Blackwell

14 Set Date and Time for Closed Meeting

to Discuss Pending or Reasonably Imminent Litigation

Kay Blackwell

15 Action on Litigation Matters

Kent Sundberg

INFORMATION

16 Chief Executive Officer's Report

Johnnie Miller

17 Other Business

Kay Blackwell

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240



Public Meeting Notice Admin

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Notice Title:

Board of Trustees Meeting

Government Type:

Special Districts

Entity:

Utah Counties Insurance Pool

Public Body Name:

Board of Trustees

Notice Subject:

Administrative Services

Notice Type:

Meeting

Street Address:

10980 S. Jordan Gateway

Street Address continued:

City:

South Jordan

Zip:

84095

Start Date:

12/15/11 12:30 PM

End Date:

12/15/11 4:00 PM

Description / Agenda:

Lunch Provided

Call to Order

Recess for Public Hearing on 2012 UCIP Budget

Reconvene

Review /Excuse Board Members Absent

Approve November 17 Meeting Minutes
Ratification and Approval of Payments and Credit Card Transactions
Approve 2012 UCIP Budget
Review/Approve Amended 2011 Budget
Elect 2012 Officers
Appoint Committees of the Board
Set Date, Time and Place of Regular Meetings for 2012
Review/Approve Amendments to the Coverage Addendum
Review/Approve Amendments to the UCIP Employee Manual
Review/Approve 2012 Workers Compensation Fund Premium
Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual
Action on Personnel Matters
Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation
Action on Litigation Matters
Chief Executive Officer's Report
Other Business

ADA:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Insurance Pool, PO Box 760, Midvale, UT 84047, or call 800-339-4070, at least three days prior to the meeting.

Electronic Participation:

Any Member of the Utah Counties Insurance Pool Board of Trustees may participate telephonically.

Other:**Emergency Notice:**

No

Send copy of notice to:

kstowe@mediaoneutah.com

Attachments:

There are attachments associated with this notice.

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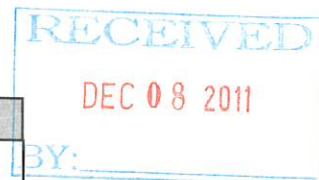
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PROOF OF PUBLICATION

CUSTOMER'S COPY

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
UTAH COUNTIES INSURANCE POOL, PO BOX 95730 SOUTH JORDAN UT 84095	9001366989	12/5/2011



ACCOUNT NAME			
UTAH COUNTIES INSURANCE POOL,			
TELEPHONE		ADORDER# / INVOICE NUMBER	
8015658500		0000747416 /	
SCHEDULE			
Start 12/02/2011		End 12/02/2011	
CUST. REF. NO.			
Legal Notice			
CAPTION			
PUBLIC NOTICE The Utah Counties Insurance Pool Board of Trustees has scheduled a Publ			
SIZE			
14 Lines		1.00 COLUMN	
TIMES		RATE	
3			
MISC. CHARGES		AD CHARGES	
TOTAL COST			
22.50			

PUBLIC NOTICE
The Utah Counties Insurance
Pool Board of Trustees
has scheduled a Public Hearing
to consider adoption of
the tentative 2012 budget.
At 12:30 p.m. on
December 15, 2011 at
10980 S. Jordan Gateway,
South Jordan,
747416 UPAXLP

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY COMPANY, LLC dba MEDIAONE OF UTAH LEGAL BOOKER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF **PUBLIC NOTICE The Utah Counties Insurance Pool Board of Trustees has scheduled a Public Hearing to consider adoption of the tentative 2012 budget. At 12:30 FOR UTAH COUNTIES INSURANCE POOL.** WAS PUBLISHED BY THE NEWSPAPER AGENCY COMPANY, LLC dba MEDIAONE OF UTAH, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH. NOTICE IS ALSO POSTED ON UTAHLEGALS.COM ON THE SAME DAY AS THE FIRST NEWSPAPER PUBLICATION DATE AND REMAINS ON UTAHLEGALS.COM INDEFINATELY.

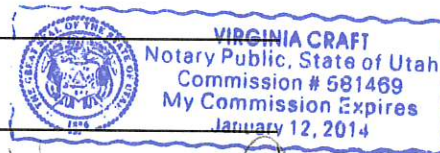
PUBLISHED ON Start 12/02/2011 End 12/02/2011

SIGNATURE

[Signature]

DATE

12/5/2011



Virginia Craft

THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

BOARD OF TRUSTEES' MEETING MINUTES

December 15, 2011, 12:30 pm

UCIP Offices, 10980 S. Jordan Gateway, South Jordan, UT

BOARD MEMBERS PRESENT

Kay Blackwell, *President*, Piute County Commissioner
Jim Eardley, *Vice President*, Washington County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk/Auditor
Bruce Adams, San Juan County Commissioner
Gary Anderson, Utah County Commissioner
Brad Dee, Weber County Human Resources Director
Jerry Hurst, Tooele County Commissioner
Karla Johnson, Kane County Clerk/Auditor
Bret Millburn, Davis County Commissioner
Cameron Noel, Beaver County Sheriff
Kent Sundberg, Utah County Deputy Attorney

BOARD MEMBERS ABSENT

Craig Dearden, Weber County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Manager of Administration

Call to Order

Kay Blackwell called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 12:30 p.m. on December 15, 2011 and welcomed those in attendance.

Recess for Public Hearing on 2012 UCIP Budget

Steve Wall made a motion for the Board of Trustees to recess at 12:30 p.m. for a scheduled Public Hearing to review the Utah Counties Insurance Pool's 2012 Budget (see attachment number one). Jerry Hurst seconded the motion, which passed unanimously. No one came forward to speak at the Public Hearing in regards to the 2012 UCIP Budget.

Gary Anderson made a motion to reconvene the Board of Trustees meeting at 12:35 p.m. on December 15, 2011. Kent Sundberg seconded the motion, which passed unanimously.

Review/Excuse Board Members Absent

Craig Dearden and Mike Wilkins requested to be excused from this meeting due to prior commitments. Gary Anderson made a motion to excuse Craig Dearden and Mike Wilkins from this meeting. Bruce Adams seconded the motion, which passed unanimously.

Approve November 17, 2011 Meeting Minutes

The minutes, of the Board of Trustees meeting held November 17, 2011, were previously sent to the Board Members for review (see attachment number two). Steve Wall made a motion to approve the November 17, 2011 meeting minutes as written. Bret Millburn seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Steve Wall reviewed the payments made, payments to be made and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions. Karla Johnson seconded the motion, which passed unanimously.

Approve 2012 UCIP Budget

The proposed 2012 UCIP Budget was previously sent to the Board Members for review (see attachment number three). Jim Eardley made a motion to approve the 2012 UCIP Budget as presented. Gary Anderson seconded the motion, which passed unanimously.

Review/Approve Amended 2011 UCIP Budget

The proposed amendments to the 2011 UCIP Budget were previously sent to the Board Members for review (see attachment number four). Jerry Hurst made a motion to approve the amended 2011 UCIP Budget as presented. Jim Eardley seconded the motion, which passed unanimously.

Elect 2012 Officers

Bruce Adams made a motion to suspend the rules and elect the current officers: Kay Blackwell, President; Jim Eardley, Vice-President; and Steve Wall, Secretary/Treasurer, by acclamation. Jerry Hurst seconded the motion, which passed unanimously.

Appoint Committees of the Board

Kay Blackwell reported that Mike Wilkins, Uintah County Clerk/Auditor, was elected at the December 1, 2011 Membership Meeting to fill the unexpired term of Wayne Smith, Third Class Counties' Representative. Marilyn Gillette was appointed by the Board at its January 20, 2011 meeting until the Membership election in December. Marilyn was a member of the Governance Committee. Gary Anderson made a motion to appoint Mike Wilkins to the Governance Committee, taking the place of Marilyn Gillette. Bruce Adams seconded the motion, which passed unanimously.

Set Date, Time and Place of Regular Meetings for 2012

Sonya White presented the tentative Regular Meeting Schedule to the Board (see attachment number five). The Board changed the April 19 meeting from Utah County to Weber County. Gary Anderson made a motion to approve the 2012 Regular Meeting Schedule of the Board of Trustees as corrected. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Amendments to the Coverage Addendum

The revisions to the Coverage Addendum were previously sent to the Board Members for review. Johnnie Miller provided the Board with a summary of the revisions (see attachment number six). Each item was reviewed and discussed. Bruce Adams made a motion to approve the amendments to the Coverage Addendum as directed and discussed by the Board. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve Amendments to the UCIP Employee Manual

The UCIP Employee Manual has been updated with the new entity name, Utah Counties Indemnity Pool, and formatting of the document has been corrected (see attachment number seven). Steve Wall made a motion to approve the amendments to the UCIP Employee Manual. Jerry Hurst seconded the motion, which passed unanimously.

Review/Approve 2012 Workers Compensation Fund Premium

Johnnie Miller reviewed each members change in workers compensation premium with the Board (see attachment number eight). The total premium to UCIP is 6.7% less than the prior year but some members have large swings due to their individual experience modifier, increase in payroll and NCCI's classification rate increase. Jim Eardley made a motion to approve the 2012 Workers Compensation Fund premium to UCIP. Bret Millburn seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Jerry Hurst made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Bret Millburn seconded the motion, which passed unanimously.

Action on Personnel Matters

Jerry Hurst made a motion to strike agenda item: *Action on Personnel Matters*. Bret Millburn seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Jim Eardley made a motion to *Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation* for 1:30 p.m. on December 15, 2011. Steve Wall seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Jim Eardley, Steve Wall, Bruce Adams, Gary Anderson, Brad Dee, Jerry Hurst, Karla Johnson, Bret Millburn, Cameron Noel and Kent Sundberg. Also present were: Johnnie Miller and Sonya White.

The regular meeting resumed at 1:45 p.m. on December 15, 2011.

Action on Litigation Matters

Kent Sundberg made a motion to strike agenda item: *Action on Litigation Matters*. Bret Millburn seconded the motion, which passed unanimously.

Chief Executive Officer's Report

Johnnie Miller reported that the quotes for Excess Crime coverage were received yesterday (see attachment number nine). Jerry Hurst made a motion to approve the National Union Fire proposal, option number four (\$2,500,000 limit). Steve Wall seconded the motion, which passed unanimously. This emergency item will be ratified at the next meeting.

Johnnie Miller reported that he and Sonya White met with Zions Investment Managers regarding the UCIP account. Zions is beginning to ladder UCIP monies with investments at 1.20 percent; PTIF is at 0.66 percent. Johnnie provided the Board with the latest charts and graphs that are available to UCIP through the online Zions Wealth portal (see attachment number ten).

Johnnie Miller provided the Board with an update on the wind damage in Davis County.

Johnnie Miller reported that the Request for Proposals for audit and actuarial services are ready to be sent to the Association of Governmental Risk Pools and local vendors. Proposals will be available for the Audit Committee to review prior to the next Board meeting.

Johnnie Miller reported that he has received good feedback from the Membership Meeting held December 1. He attended the NCCI meeting in Salt Lake to hear about the state of the workers compensation industry. He attended the local chapter of PRIMA where a new president was elected; Korby Siggard has done a good job as the 2011 PRIMA President.

Other Business

The next meeting of the Board of Trustees is scheduled for January 19, 2012 at 12:00 p.m. at the UCIP offices.

Approved on this 19th day of January 2012


Steve Wall, Secretary/Treasurer

Utah Counties Insurance Pool

Payments

November 18 - December 15, 2011

Type	Date	Num	Name	Memo	Amount
ML Expense					
Liability Check	11/29/2011		QuickBooks Payroll Service	Created by Payroll Services on 11/23/2011	-12,762.32
Liability Check	12/14/2011		QuickBooks Payroll Service	Created by Payroll Services on 12/12/2011	-12,762.35
Liability Check	11/21/2011	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270172684032280	-4,134.09
Liability Check	11/30/2011	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270173581659615	-4,291.84
Liability Check	11/30/2011	ONLINE	Utah State Tax Commission	Confirmation Number: 0-634-397-696	-1,647.26
Liability Check	11/30/2011	ONLINE	Utah Retirement Systems	You confirmation number is 1130634582700253933750	-6,393.26
Liability Check	11/30/2011	ONLINE	Nationwide Retirement Solutions	Entity: 644013	-2,020.55
Check	11/25/2011	VISA	Wells Fargo	Account Number: 4856 2002 0207 3675	-1,000.63
Check	11/25/2011	VISA	Wells Fargo	Account Number: 4856 2002 0207 3691	-1,100.26
Check	11/25/2011	VISA	Wells Fargo	Account Number: 4856 2002 0207 3683	-173.70
Check	11/23/2011	6187	Mark W. Brady	Expense Reimbursement	-2,070.84
Check	11/23/2011	6188	Jim Eardley	VOID: Mileage Reimbursement	0.00
Check	11/23/2011	6189	Craig Dearden	Mileage Reimbursement	-375.70
Check	11/23/2011	6190	Steven Wall	Mileage Reimbursement	-371.30
Check	11/23/2011	6191	Bruce Adams	Mileage Reimbursement	-753.10
Check	11/23/2011	6192	Marilyn Gillette	Mileage Reimbursement	-360.75
Check	11/23/2011	6193	Cameron Noel	Mileage Reimbursement	-81.55
Check	11/23/2011	6194	Kent Sundberg	Mileage Reimbursement	-294.15
Check	11/23/2011	6195	Gary Anderson	Mileage Reimbursement	-283.05
Check	11/23/2011	6196	Brad Dee	Mileage Reimbursement	-377.40
Check	11/23/2011	6197	Johnnie R. Miller	Expense Reimbursement	-709.83
Check	11/23/2011	6198	CIRSA	Invoice Number: 119477	-57.95
Bill Pmt -Check	11/23/2011	6199	Fluid Studio		-1,950.00
Bill Pmt -Check	11/23/2011	6200	Society of CIC	Aliance Member: 1039119	-90.00
Bill Pmt -Check	11/23/2011	6201	Tri-Tel Communications, Inc.	Invoice Number: 154028	-304.14
Bill Pmt -Check	11/23/2011	6202	Whitney Advertising & Design, Inc.	Invoice Number: 15544	-496.84
Bill Pmt -Check	11/23/2011	6203	Arthur J. Gallagher & Co.	Invoice Number: 97295	-1,861.00
Check	11/23/2011	6204	CAR		-7.00
Check	11/30/2011	6205	PEHP-LTD	Coverage Period: November 2011	-209.57
Bill Pmt -Check	12/1/2011	6206	Western AgCredit	Invoice Number: 12-2011	-10,788.00
Liability Check	12/8/2011	6207	Opticare of Utah	Invoice Number: 15738	-59.35
Liability Check	12/8/2011	6208	Public Employees Health Program	Policy Number 1076 (November)	-5,716.50
Bill Pmt -Check	12/8/2011	6209	County Reinsurance, Limited	Property Reinsurance Audit JUL 2011 - JUL 2012	-33,996.00
Bill Pmt -Check	12/8/2011	6210	Media One of Utah	Account Number: 9001366989	-22.50
Bill Pmt -Check	12/8/2011	6211	Paetec	Invoice Number: 3448741	-682.03
Bill Pmt -Check	12/8/2011	6212	Personnel Concepts	Reference Number: P16887	-25.90
Bill Pmt -Check	12/8/2011	6213	Revco Leasing Company, LLC	Invoice Number: 282368	-815.89
Bill Pmt -Check	12/8/2011	6214	State of UT Dept of Workforce Serv...	Account No: R 2-423713-0	-367.00
Bill Pmt -Check	12/8/2011	6215	Thanksgiving Point	WO#: 16000	-2,864.93
Bill Pmt -Check	12/8/2011	6216	US Postal Service	PO BOX 95730	-180.00
Bill Pmt -Check	12/8/2011	6217	Whitney Advertising & Design, Inc.	Invoice Number: 15558	-417.50
Check	12/15/2011	6218	Korby M. Siggard	Expense Reimbursement	-453.84
Check	12/15/2011	6219	James Swink	Civil Practice Conference Travel Expenses	-278.44
Check	12/15/2011	6220	Sonya J. White	Expense Reimbursement	-47.71
Bill Pmt -Check	12/15/2011	6221	Purchase Power	Account Number: 8000-9090-018-5759	-250.00
Total ML Expense					-113,906.02

**Utah Counties Insurance Pool
Payments
November 18 - December 15, 2011**

Type	Date	Num	Name	Memo	Amount
TOTAL					-113,906.02

UTAH COUNTIES INDEMNITY POOL

Budget

	Tentative 2012	Proposed 2012
Revenue		
Premiums and other Considerations	6,393,702	6,281,252
Investment Income	65,000	65,000
Program Management Fees	3,000	3,000
Conferences	6,500	6,500
Total Income	6,468,202	6,355,752
Underwriting Expense		
Losses and Loss Adjustment Expenses	3,000,000	3,000,000
Losses Incurred	590,000	590,000
Reinsurance Expense	1,600,000	1,600,000
Total Underwriting Expenses	5,190,000	5,190,000
Administrative Expense		
Board of Trustees	45,000	45,000
Depreciation	30,000	20,000
Loss Control	43,000	50,000
Marketing	16,000	16,000
Office Operations	220,000	210,000
Professional Services	77,000	74,752
Staff	780,000	750,000
Total Administrative Expenses	1,211,000	1,165,752
Total Operating Expense	6,401,000	6,355,752
Change in Net Assets	67,202	0

UTAH COUNTIES INSURANCE POOL

Budget

	Approved 2011	Proposed Amended 2011
Revenue		
Premiums and other Considerations	6,190,000	5,990,231
Investment Income	55,000	55,000
Program Management Fees	3,000	3,000
Conferences	6,500	6,500
Total Income	6,254,500	6,054,731
Underwriting Expense		
Losses and Loss Adjustment Expenses	3,000,000	3,000,000
Losses Incurred	570,000	570,000
Reinsurance Expense	1,311,990	1,382,843
Total Underwriting Expenses	4,881,990	4,952,843
Administrative Expense		
Board of Trustees	40,000	44,000
Depreciation	35,000	20,000
Loss Control	42,650	50,000
Marketing	16,000	16,000
Office Operations	220,000	209,000
Professional Services	77,300	42,888
Staff	757,090	720,000
Total Administrative Expenses	1,188,040	1,101,888
Total Operating Expense	6,070,030	6,054,731
Change in Net Assets	184,470	0



Utah Counties Insurance Pool
Serving Counties Since 1992

STANDING COMMITTEES

COMMITTEES of the BOARD

AUDIT

- Steve Wall, *Chair*, Sevier County Clerk/Auditor
- Craig Dearden, Weber County Commissioner
- Jerry Hurst, Tooele County Commissioner
- Kent Sundberg, Utah County Deputy Attorney

GOVERNANCE

- Bruce Adams, *Chair*, San Juan County Commissioner
- Marilyn Gillette, Tooele County Clerk
- Karla Johnson, Kane County Clerk/Auditor
- Bret Millburn, Davis County Commissioner
- Kent Sundberg, Utah County Deputy Attorney
- Steve Wall, Sevier County Clerk-Auditor

NOMINATING

- Jim Eardley, *Chair*, Washington County Commissioner
- Gary Anderson, Utah County Commissioner
- Kay Blackwell, Piute County Commissioner

PERSONNEL

- Brad Dee, *Chair*, Weber County HR Director
- Kay Blackwell, Piute County Commissioner
- Cameron Noel, Beaver County Sheriff

COMMITTEES of the MEMBERS

LAW ENFORCEMENT

- Cameron Noel, *Chair*, Beaver County Sheriff
- James Cordova, Carbon County Sheriff
- Robert Dekker, Millard County Sheriff
- Lynn Nelson, Cache County Sheriff
- Alden Orme, Juab County Sheriff
- James Tracy, Utah County Sheriff

LITIGATION MANAGEMENT

- Kent Sundberg, *Chair*, Utah County Deputy Attorney
- Brock Belnap, Washington County Attorney
- David Blackwell, Emery County Attorney
- Dale Eyre, Sevier County Attorney
- Doug Hogan, Tooele County Attorney
- James Swink, Cache County Attorney
- Dave Wilson, Weber County Deputy Attorney

PERSONNEL

- Brad Dee, *Chair*, Weber County HR Director
- Pam Ayala, Tooele County Human Resources Director
- Paul Barton, Beaver County Clerk-Auditor
- Valeen Brown, Piute County Clerk-Auditor
- Colette Eppley, Iron County Personnel
- Rhonda Gant, Kane County HR
- Brandy Grace, Millard County Auditor
- Lana Jensen, Utah County Personnel Director
- Crystal Holt, San Juan County HR/Personnel Director
- Mary Huntington, Emery County Personnel
- Peggy Madsen, Box Elder County Personnel Director
- Carrie Mascaro, Duchesne County Personnel
- Joe McKea, Uintah County HR Director/Risk Manager
- Camille Moore, Garfield County Clerk-Auditor
- Ilene Roth, Sanpete County Auditor
- David Rowley, Wasatch County HR
- Mike Seely, Juab County Administrator
- Jim Smith, Cache County Personnel Director
- Ryan Torgerson, Wayne County Clerk-Auditor
- Steve Wall, Sevier County Clerk-Auditor
- Sherrie Larsen, Washington County HR Supervisor

**ANNUAL NOTICE OF REGULAR MEETING SCHEDULE OF THE BOARD OF
TRUSTEES OF THE UTAH COUNTIES INSURANCE POOL**

PUBLIC NOTICE is hereby given that the 2012 Annual Meeting schedule of the Board of Trustees of the Utah Counties Insurance Pool is as follows:

Regular meetings of the Board of Trustees of the Utah Counties Insurance Pool will be held on the dates, at the times and at the location of 10980 South Jordan Gateway, South Jordan, Utah or the specific member county listed below unless otherwise changed by action of a quorum of the Board of Trustees of the Utah Counties Insurance Pool.

TENTATIVE REGULAR MEETING DATES FOR 2012

January 19, 12:00 p.m.
February 16, 12:00 p.m.
March 15, 12:00 p.m.
April 19, 6:00 p.m., Utah County
May 24, 12:00 p.m., Washington County
June 8, 8:00 a.m., Piute County
July 19, 12:00 p.m.
August 16, 12:00 p.m.
September 27, 12:00 p.m., Iron County
November 15, 6:00 p.m., Washington County
December 20, 12:00 p.m.

A regular meeting may be canceled without notice by action of a quorum of the Board of Trustees. When, because of unforeseen circumstances, it is necessary for the Board of Trustees to hold an emergency meeting to consider matters of an emergency or urgent nature, the best notice practicable shall be given. No such emergency meeting of the Board of Trustees shall be held unless an attempt has been made to notify all of the members of the Board of Trustees and there is a majority vote in the affirmative to hold the meeting.

All regular meetings of the Board of Trustees shall be open to the public unless closed by the Board of Trustees in the manner described in §52-4-4, Utah Code Annotated, 1953 as amended, and, for a purpose described in §52-4-5, Utah Code Annotated, 1953 as amended.

ADOPTED AND APPROVED THIS _____ DAY OF _____, 2011.

BOARD OF TRUSTEES,
UTAH COUNTIES INSURANCE POOL

President

2012 Coverage Addendum Revision Summary

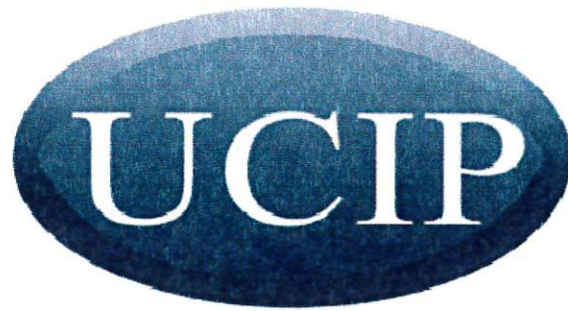
1. Name Change throughout.
2. “Insured” to “Member” or “Covered Party” throughout.
3. “Insurance” to “Coverage” throughout.
4. “Pay” to “Indemnify” throughout.
5. “Pool’s liability” to “Pool’s obligation to indemnify” throughout
6. Changed “Premium” to “Contribution” throughout.
7. “Policy” to “Addendum” throughout.
8. “Company” to “Pool” throughout.
9. Page 1, General Declarations – Clarified structure of pool.
10. “Other Insurance” includes “Other Coverage” throughout.
11. Page 12, General Exclusions – Deleted exclusion to Search and Rescue Operations.
(Also Deleted Search and Rescue Endorsement #8 which gave coverage back).
12. Page 12, General Exclusions – Clarified Land Use Exclusion excludes all related claims.
13. Page 21, Property Sublimits – Increased sublimit for Automatic Coverage from \$250,000 to \$1,000,000.
14. Page 22, Unscheduled Tunnels, Bridges and Dams – Clarified Sublimit is Per Occurrence, and moved details of coverage exclusions to new Additional Coverage section.
15. Page 28, Property Excluded – Added Exclusion to Roads, Bridges and Tunnels used for vehicular travel, except scheduled bridges. This should streamline FEMA requests.
16. Page 29, Automatic Coverage – Clarified Automatic Coverage does not apply to Property in the Course of Construction, and that coverage lasts for 120 days.
17. Page 33, Errors and Omissions – Clarified Errors and Omissions Coverage does not apply to Property in the Course of Construction.
18. Page 35, Fine Arts Coverage – Clarified scheduled items over \$10,000 does not increase the total sublimit which applies to Fine Arts.

2012 Coverage Addendum Revision Summary

19. Page 37, Property in the Course of Construction and Soft Costs – Excluded coverage for projects where Member signs a waiver of subrogation for damage to the project.
20. Page 43, Unscheduled Tunnels, Bridges and Dams – Added additional coverage language for this coverage and deleted details of coverage from sublimits page.
21. Page 45, Exclusions – Replaced War Exclusion with language from Exclusion of War and Military Action Endorsement, and deleted Exclusion of War and Military Action Endorsement #3.
22. Page 67, Subrogation – made exception to Member waiving rights of subrogation related to construction projects.
23. Page 78, Limits of Coverage (Crime Coverage) – Increased all limits to match deductible of excess policy.
24. Page 88, Limit of Coverage (Liability) – Increased Limit to \$2,500,000.
25. Page 92, Employee Benefits Liability Coverage – Clarified definition of Employee Benefit Program includes self-insured programs.
26. Page 96, Auto Liability – Extended Coverage of Official's spouse when operating a personal vehicle for Member use with the Member's permission.
27. Page 103, War and Military Endorsement – Deleted.
28. Page 102, Members Endorsement #1 – Added Non-Voting/Non-Equity Members to this endorsement, and deleted the separate Health Districts Endorsements. Added Tooele County Recreation SSD and Washington County Interlocal Agency (Dixie Center) as Non-Voting/Non-Equity Members. Deleted Bear River Health District from participating members.
29. Page 107, Health Districts – Deleted Endorsement and added list to Endorsement #1 as Non-Voting/Non-Equity Members.
30. Page 110 – Retroactive Dates- Added Tooele County Recreation SSD and Washington County Interlocal Agency. Also deleted BRHD from Endorsement #7, E&O Retroactive Dates.
31. Page 109, Search and Rescue Endorsement – Deleted.
32. Page 110, Limited Coverage for Land Use Matters - Made changes to mirror exclusion in Addendum.
33. Page 111, Personal Injury Protection Endorsement – Updated statutory references.

2012 Coverage Addendum Revision Summary

- 34. Page 112, Uninsured Motorist Coverage Endorsement – Updated statutory references.
- 35. Page 113, Joint Policy for Uninsured Motorist Coverage – Deleted.
- 36. Page 114, Underinsured Motorist Coverage – Updated statutory references.
- 37. Page 115, Joint Policy for Underinsured Motorist Coverage – Deleted.



EMPLOYEE MANUAL

UTAH COUNTIES INDEMNITY POOL

TABLE OF CONTENTS

TABLE OF CONTENTS	ii
RECEIPT OF MANUAL	iii
SECTION I GENERAL PROVISIONS.....	1-5
A. Applicability of Policies and Procedures	1
B. Authority for Policies	1
C. Savings Clause.....	1
D. Personal Information	1
E. Non-Discrimination	1
F. Nepotism.....	1-2
G. Employment Classifications	2
H. FLSA	2
I. Payroll Procedures	2
J. Reimbursement of UCIP Business Expenses	2-3
K. Outside Employment	4
L. Work Hours	4
M. Absence Without Leave.....	4
N. Terminating Employment	4-5
O. Termination Pay.....	5
SECTION II COMPENSATION.....	6-7
A. Wages	6
B. Monthly Auto/Cell Phone Allowance.....	6
C. Cost of Living Adjustment	6
D. Merit Salary Increases	6-7
E. Bonuses.....	7
F. Discretionary Award.....	7
SECTION III DISCRETIONARY BENEFITS	8-13
A. Retirement.....	8
B. Group and Medical Insurance.....	8
C. Health Reimbursement Program	8-9
D. Holidays.....	9
E. Vacation.....	9-10
F. Sick Leave	10-11
G. Bereavement Leave	11-12
H. Family and Medical Leave	12
I. Jury Duty	12-13
J. Education Assistance	13
SECTION IV STANDARDS OF CONDUCT	14-22
A. Employee Discipline.....	14-15
B. Drug Free Workplace	15-18
C. Sexual Harassment Prohibited.....	18-20
D. Harassment Based on Other Protected Categories Prohibited.....	20
E. Computer and E-Mail Usage	20-21
F. Seat Belt Use.....	21
G. Cell Phone Use	22
H. Acceptance of Gifts, Compensation or Loans	22
SECTION V DISPUTE RESOLUTION PROCESS.....	23-24
A. Dispute Resolution Philosophy.....	23
B. Dispute Resolution Procedure	24
ATTACHMENT 1..... SCHEDULE OF UCIP DISCRETIONARY BENEFITS	
ATTACHMENT 2..... EMPLOYMENT OF RELATIVES	
ATTACHMENT 3..... ACCEPTING GIFT, COMPENSATION OR LOAN	
ATTACHMENT 4..... LONG-TERM DISABILITY ACT	

RECEIPT OF EMPLOYEE MANUAL

This Manual is provided to the Utah Counties Indemnity Pool (UCIP) employees as a reference guide regarding UCIP's employment related policies and procedures. These policies and procedures as well as the benefits provided by UCIP to its employees may be amended from time to time by action of the UCIP Board of Trustees. The Board of Trustees reserves the right to amend, alter, or revoke any policy, practice, benefit, or employment condition, at any time, or for any reason, with or without notice.

No contract exists between UCIP and its employees or any third parties with respect to salary ranges, movement within salary ranges, employee benefits, work location, or any other aspects of employment. These aspects of employment with UCIP may change as a result of salary surveys, job analysis, availability of funds, job performance, changes in workload, or changes in UCIP policies and procedures. Employment with UCIP is "at will" and may be terminated at any time.

The undersigned has received this manual and has had an opportunity to review its contents, and ask questions related thereto:

Employee Signature

Date

SECTION I - GENERAL PROVISIONS

Utah Counties Indemnity Pool, "UCIP" is a political subdivision of the State of Utah, governed by the UCIP Board of Trustees, operating under the laws of the State of Utah.

A. Applicability of Policies and Procedures

These policies and procedures apply to all UCIP employees.

B. Authority for Policies

The UCIP Board of Trustees establishes the policies and procedures that are outlined in this manual. The Board may alter, amend, or supplement these policies and procedures at any time.

C. Savings Clause

If any provision of these policies and procedures, or the application thereof, is found to be in conflict with any State or Federal law or regulation, these policies and procedures shall be considered amended to the extent necessary to comply with such law or regulation.

D. Personal Information

UCIP has signed the Electronic Trading Partner Agreement with the Utah Retirement Systems. As a condition of this Agreement, UCIP has adopted the following policy statement: UCIP will prevent the improper use or disclosure of personal information regarding its employees' status, contributions and/or benefits, or any other personal information arising from enrollment or participation in the Utah Retirement Systems.

E. Non-Discrimination

UCIP is an equal opportunity employer. UCIP complies with Federal and State non-discrimination laws with respect to employment on the basis of race, color, national origin, sex, age, disability, or religion. UCIP complies with Title VII, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act and other applicable laws relating to non-discrimination in employment. Employment at UCIP is based upon the applicant or employee's qualifications, suitability for the job, job references, and ability to perform the functions of the job.

F. Nepotism

UCIP complies with Sections 52-3-1 to 52-3-4, of the Utah Code Ann. 1953, as amended regarding the employment of relatives.

If because of marriage, promotion, reorganization or other reason, it appears that a conflict with Utah law or this policy appears to exist, the Chief Executive Officer, and the Board of Trustees shall review the matter.

If it is determined that a conflict exists, resignation of one of the family members may be required.

G. Employment Classifications

UCIP employment classifications are generally designated as either full-time or part-time positions. Each job description shall state whether the position is a full, part-time, seasonal or temporary position and if it is an exempt or non-exempt position for purposes of the Fair Labor Standards Act (FLSA). Employees holding full-time positions receive the benefits and protections described in this manual.

An employee's classification determines the level of benefits for which the employee is eligible.

1. Full Time Positions. Employees, who generally work thirty-two (32) or more hours per week in a permanent position, are full-time employees.
2. Part Time Positions: Employees who work less than thirty-two (32) hours per week on a continuous or recurring basis are part time employees.

H. FLSA

UCIP abides by the provisions of the Fair Labor Standards Act.

I. Payroll Procedures

Paydays are twice a month, on the fifteenth and the last day of the month. If a payday falls on a Saturday, Sunday, or legal holiday, UCIP will pay wages earned during the pay period on the day preceding the Saturday, Sunday, or legal holiday.

J. Reimbursement of UCIP Business Expenses

UCIP will pay or reimburse employees for expenses associated with authorized UCIP business. The amounts paid or reimbursed are determined from time to time by the UCIP Board of Trustees. Payment or reimbursement for expenses under this policy must be submitted to the Manager of Administration on a form approved by UCIP and must include all receipts for items to be reimbursed.

1. **Mileage.** UCIP will reimburse for mileage at the approved federal rate when an employee uses a personal vehicle for authorized UCIP business which does not include commuting to and from the UCIP office. Carpooling to and from conferences and meetings using vehicles under the monthly auto allowance plan should be used whenever practical.

Employees traveling to and from conferences and meetings using their personal vehicle when car pooling is available will be reimbursed only when there is a valid business purpose for using their personal vehicle as determined by the Chief Executive Officer.

2. **Monthly Auto Allowance.** The UCIP Board of Trustees has approved a monthly auto allowance to be paid to specific employees that regularly use their personal auto for travel on authorized UCIP business. Employees who receive a monthly auto allowance will only receive reimbursement for mileage when the round trip miles driven for a single business purpose exceed the number of miles identified as the Mileage Reimbursement Threshold in the Schedule of UCIP Discretionary Benefits. Reimbursement of mileage exceeding the Mileage Reimbursement Threshold will be paid at the approved federal rate.
3. **Per Diem.** UCIP will pay a per diem to employees away from home on authorized UCIP business pursuant to the full daily standard rates published by the Office of Government Policy, General Services Administration. Travel requirements for per diem are a trip of at least 100 miles and/or five hours duration. Per Diem is not payable to employees on business in the employee's home county or Salt Lake County. Per Diem is provided to cover meals and incidental expenses incurred when travelling.
4. **Other Travel Expenses.** UCIP will pay or reimburse employees for other expenses, such as lodging or airfare, on approved business trips.
5. **Cell Phones.** The UCIP Board of Trustees has approved a monthly cell phone allowance to be paid to specific employees that regularly use their personal cell phone for UCIP business. Reimbursement amounts will be set by the Board of Trustees dependent on the amount of business use, the need to use cellular service for email and internet access, and the market rate for such services.
6. **UCIP Business Credit Cards.** The UCIP Board of Trustees has approved the use of UCIP Business Credit Cards by certain employees who regularly incur business expenses as part of their duties. UCIP Business Credit Cards are for use of authorized business travel expenses and other authorized business expenses. Employees using UCIP Business Credit Cards must submit documentation of the charges in the form of written receipts to the Manager of Administration. Each receipt should include documentation of the business purpose of the expense. All UCIP Business Credit Card transactions will be reviewed and approved by the UCIP Board of Trustees. An employee will reimburse UCIP for any expenses not approved by the UCIP Board of Trustees as legitimate business expenses. Such expenses that are not reimbursed to UCIP within 30 days of notice to the employee of the Board's action may be deducted from the employees pay at the discretion of the Chief Executive Officer.

K. Outside Employment

No Pool employees may engage in any outside employment or activity that, in the opinion of the Chief Executive Officer, might impair the performance of their duties or is detrimental to UCIP member service.

L. Work Hours

All full-time employees are expected to work their assigned schedule.

1. Hours are from 8:00 a.m. until 4:30 p.m. After Memorial Day and prior to Labor Day of each year, the Chief Executive officer may implement at their discretion a "summer flex hours" program. Flex hour programs shall not exceed a program of employees working 10 hours a day for four days a week, and in no case shall a flex hour program create the need for payment of overtime to any employee. The Chief Executive Officer may make changes to the flex hour program at any time at their sole discretion.
2. Each employee is allowed a thirty minute lunch period. The employee's actual amount of lunch time will be determined by the Chief Executive Officer. Employees are expected to coordinate with other employees and their supervisors to assure the office is appropriately staffed for receiving guests and phone calls throughout the work day. Employees are normally expected to be present during all other work hours unless special arrangements are made with the Chief Executive Officer from time to time for cause.
3. Generally, employees are not allowed to skip their lunch break to leave work early.

M. Absence Without Leave

No employee may be absent from duty without permission. All employees should notify their supervisor, the Manager of Administration, or the Chief Executive Officer prior to an absence. In emergency situations where prior notification is not possible, the employee should provide notification as soon as possible.

If a pattern (two or more) of unexplained or unexcused absences develops, employees may be subject to a disciplinary action, including termination.

N. Terminating Employment

An employee's employment with UCIP may terminate in different ways:

1. **Resignation.** Employees may resign at any time. However, as a courtesy, UCIP requests that employees give a minimum two weeks written notice so that UCIP has time to prepare final paperwork and arrange to assure minimal disruption to member service. Any earned and or accrued

vacation and sick leave will be paid at the time of resignation in accordance with policies adopted by the Board of Trustees at the time of termination.

2. **De-facto Resignation.** Employees who are absent from work for three consecutive days and are capable of providing notice to their supervisor, but fail to do so, are considered to have voluntarily resigned.
3. **Involuntary Termination.** As an "at will" employer, UCIP may terminate an employee's employment at any time.

O. **Termination Pay**

Employees who leave UCIP service for any reason will be paid the wages due them at the next regularly scheduled payday. UCIP will pay terminating employees for earned and accrued vacation time. UCIP may also pay earned sick leave based on policy in effect at the time of termination. Payment of earned and accrued vacation and sick leave due the employee based on policies at the time of termination will also be paid at the next regularly scheduled payday.

SECTION II - COMPENSATION

All compensation provided to UCIP employees is determined or approved by the UCIP Board of Trustees. The UCIP Board may alter, amend, or supplement these policies and procedures at any time to the extent allowed by law.

A. Wages

It is the intent of UCIP to provide its employees with wages competitive with other similar employers in the Salt Lake County area. Employee wages are determined by the UCIP Board of Trustees and may be set based on analysis of wages for similar employers in the Salt Lake County area and in consideration of other benefits provided to employees to recognize the value of each employee's total compensation package.

B. Monthly Auto/Cell Phone Allowance

The UCIP Board of Trustees has approved monthly auto and cell phone allowances at rates identified in the Schedule of UCIP Discretionary Benefits to be paid to specific employees that regularly use their personal vehicle for travel or personal cell phone for authorized UCIP business. The Monthly Auto/Cell Phone Allowance is considered income for purposes of taxable income, and will be reported by UCIP as taxable income paid to the employee.

C. Cost of Living Adjustment

Adjustments to wages related to cost of living are recommended by the Chief Executive Officer, and approved at the sole discretion of the UCIP Board of Trustees.

1. Employee salaries may be adjusted annually to protect them from inflation of the local economy. COLA will be paid only if funds are available in the budget, and at the sole discretion of the Board of Trustees.
2. The UCIP Board of Trustees may consider in part the percentage increase (if any) of the U.S. Department of Labor, Consumer Price Index for the Salt Lake County Area as reported in January of each year, when considering any COLA type salary adjustment.

D. Merit Salary Increases

Merit adjustments to wages are recommended by the Chief Executive Officer and approved at the sole discretion of the UCIP Board of Trustees.

1. Merit salary increases for employees shall be considered annually on the basis of individual performance and performance of UCIP as an organization.

2. Merit salary increases shall only be granted upon recommendation of the Chief Executive Officer and approval of the Board of Trustees.
3. The effective date of any merit increase shall be the first pay period of the calendar year, unless otherwise determined by the Board of Trustees.

E. **Bonuses**

Individual bonuses may be recommended by the Chief Executive Officer. All bonuses must be approved by, and at the sole discretion of, the UCIP Board of Trustees.

F. **Discretionary Award**

Full-time employees may receive an annual award at the discretion of the Chief Executive Officer to be included with the first payroll of December. Limitations related to such award shall be determined by the UCIP Board of Trustees.

SECTION III - DISCRETIONARY BENEFITS

UCIP provides a variety of benefits to eligible employees. Among the benefits currently provided are a retirement program, a long-term disability insurance program, medical and life insurance plans, and a deferred income investment program.

UCIP may add, alter or eliminate benefits at its discretion.

A. Retirement

In order to help its employees plan and prepare for retirement, UCIP participates in the Utah Retirement Systems (URS), as set forth in Utah Code Title 49, Chapter 13, Pension and/or 401(k) Plan(s), and the Nationwide Retirement Solutions (NRS) 457 Plan. UCIP contributions to the URS Pension Plan are made in addition to, and not deducted from, eligible employee's regular pay. At the discretion of the UCIP Board of Trustees, UCIP may provide matching contributions to the URS 401(k) Plan and/or the Nationwide 457 Plan. Employees may have additional amounts deducted from their regular pay to contribute to these plans, based on the policies of each plan.

B. Group and Medical Insurance

UCIP currently provides the following life and health benefits to full-time employees and their dependents:

1. Major medical and surgical
2. Dental Care
3. Vision Care
4. Group Term Life
5. Accidental Death and Dismemberment
6. Workers' Compensation (employees only)
7. Long term disability (employees only)

UCIP pays a percentage of the cost for insurance coverage of the employee and eligible dependents determined by the Board of Trustees and shown in the Schedule of UCIP Discretionary Benefits. The cost of optional coverage and amounts above the basic package are the responsibility of the employee.

C. Health Reimbursement Program

The UCIP Board of Trustees has adopted a health reimbursement arrangement the terms of which are included in Attachment 1. Employees who terminate

employment with UCIP for any reason are not compensated for any unused funds without providing receipts for qualifying expenses incurred prior to termination.

D. Holidays

UCIP provides the following paid holidays to allow employees to enjoy a break in the work routine and to commemorate special Federal and State historical events and activities.

The first day of January – New Years Day

The third Monday of January – Martin Luther King Day

The third Monday of February – Presidents' Day

The last Monday of May – Memorial Day

The 4th of July – Independence Day

The 24th of July – Pioneer Day

The first Monday of September – Labor Day

The second Monday of October – Columbus Day

The 11th of November – Veteran's Day

The fourth Thursday and Friday of November – Thanksgiving Day

The 25th of December – Christmas Day

When a paid holiday falls on a Saturday, the day off will be observed on the Friday preceding the Holiday. When a paid holiday falls on Sunday, the day off will be on the Monday following.

Should a holiday occur while an employee is on vacation, the employee will not be charged with vacation on the day of the holiday.

To be eligible for holiday pay an employee must work the regular scheduled day prior to the holiday, or the first regular scheduled day after the holiday, or be on an authorized paid leave using vacation pay, sick leave pay, or accrued compensatory time etc.

E. Vacation

UCIP provides paid vacation to employees according to the Vacation section of the Schedule of UCIP Discretionary Benefits. Vacation time is provided to allow employees a break from their work duties to rest and reinvigorate them. UCIP

may require employees in fraud sensitive positions to take a minimum number of days of vacation per year. It is UCIP's intent to incent employees to use vacation time in the year it is earned. A policy to carry over vacation time is provided to allow employees to plan for extended vacations, and is not meant as a means for employees to "bank" significant vacation time. It is also UCIP's intent to incent employees to use vacation time in blocks of several days, rather than a day or two at a time.

Here are some general vacation policies:

1. Vacation time may be used in increments of no less than one half ($\frac{1}{2}$) hour.
2. Employees may generally use their vacation anytime; however, to assure quality of member service, all vacation time must be approved in advance by the employee's supervisor. To allow adequate time for the supervisor to consider requests for vacation, employees are encouraged to request vacation time as far in advance as possible but generally not less than one week in advance of the beginning of the vacation period. If an employee feels their supervisor's denial of vacation time is unreasonable, they may ask for a review of the request for vacation by the Chief Executive Officer.
3. Legal holidays occurring while an employee is on vacation are not deducted from an employee's accrued vacation time.
4. Vacation hours may be carried forward to succeeding years to the extent allowed by the policy of the UCIP Board of Trustees, as outlined in the Schedule of UCIP Discretionary Benefits.
5. Vacation time will not accrue while an employee is on an unpaid leave of absence, or when temporary totally disability due to a work related injury exceeds 45 days.

F. Sick Leave

UCIP provides compensated sick leave to full-time employees who cannot perform their normal duties as a result of non-work related illness, injury or physicians visits related to non-work related illness or injury. Employees are encouraged to build up sick leave so that days are available for serious illness. Employees who regularly use up sick leave will be counseled regarding the difficulties such a practice may create. Sick leave is a privilege and employees should use it responsibly. Intentional misuse of sick leave may be grounds for discipline, up to and including termination.

Eligible employees may earn sick leave at the rate identified in the Schedule of UCIP Discretionary Benefits. Employees may take sick leave for personal illness or to care for sick family members (spouse, child, or parent).

Here are some general sick leave policies:

1. Employees taking sick leave should provide notice at least one hour prior to beginning of shift in order to minimize disruption to the workplace.
2. Use of vacation time for absence from work due to an employee's own illness or injury will only be allowed when the employee has exhausted all earned and accrued sick leave. After exhausting all accrued sick and vacation time, the employee may be considered to be on an unpaid leave of absence at the discretion of the Chief Executive Officer.
3. Sick leave may be taken in increments no less than one half (½) hour.
4. Legal holidays occurring while a full-time employee is ill will not be deducted from an employee's earned or accrued sick leave.
5. Employees do not earn sick leave while on an unpaid absence, when a period of an employee's own illness or injury exceeds 45 days, or when temporary total disability due to a work related injury exceeds 45 days.
6. After three (3) consecutive days of sick leave, at UCIP's discretion, an employee may be required to provide a doctor's certificate of disability with respect to any sick leave taken. If such certificate is not provided, the employee's absence may be considered an unpaid absence.

G. Bereavement Leave

UCIP grants bereavement leave to employees who suffer the death of a member of the immediate family, or a close relative. It is the intent of UCIP to be considerate of an employee's special needs and to be supportive in the death of a loved one.

Accordingly, UCIP may provide the employee with paid time off from work to attend the funeral and to fulfill other responsibilities before the funeral without charge to the employee's earned or accrued sick or vacation time.

If an employee suffers the death of a close relative, and requests time off from work during the period of bereavement, the Chief Executive Officer may approve the request based on the following:

1. The necessity and appropriateness of the time off. The employee should be attending the funeral and/or have certain responsibilities to fulfill before the funeral.
2. The amount of time off:
 - a. If the deceased was a member of the employee's immediate family (spouse, child or child of a spouse, parent or parent of a spouse,

sibling or sibling of a spouse, brother or sister-in-law, grandparents, and grandchild or grandchild of a spouse), the employee may have paid time off up to five (5) days at any time between the death and the day of the funeral.

- b. For other close relatives (aunt, uncle, niece, or nephew of either the employee or spouse) the employee may have paid time off for the day of the funeral.
3. The pay for bereavement leave will be based on the employee's current rate of pay and the number of hours in the normal workday. Employees may request additional days off and use accrued vacation or leave without pay, as approved by the Chief Executive Officer.
4. In the event of the death of a member of the immediate family while an employee is on vacation, the vacation will be extended by the amount of time normally authorized as outlined above.

H. Family and Medical Leave

UCIP complies with all applicable requirements of the Family and Medical Leave Act of 1993 (FMLA).

1. An employee's use of FMLA will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave. However, the employee must first use any accrued vacation, compensatory time, and sick leave during the FMLA leave period. In calculating the twelve (12) week FMLA limit, all paid leave will be included.
2. UCIP has adopted the calendar year as the basis for determining FMLA eligibility. However UCIP retains the right to change the eligibility period when it is determined to be in the best interest of UCIP to do so in terms of administration.
3. Upon returning from FMLA leave, most employees will be reinstated to the same, or equivalent, position with equivalent pay, benefits, and other employment terms as previously provided. There will be no loss of benefits that accrue prior to the start of the employee's leave.

I. Jury Duty

Every employee will be granted an unpaid leave of absence when subpoenaed or ordered to appear as a juror or witness by the Federal Government, State of Utah, or political subdivision thereof. If the employee turns over the juror or witness fee to UCIP along with a copy of the subpoena, UCIP will pay the employee's regular compensation during the period of jury service. Travel time to or from juror or witness duty is also considered an approved absence, but UCIP will not pay any overtime regardless of the amount of jury service time and jury travel

time. UCIP will not pay for jury duty related mileage regardless of whether the subpoena requires travel during work hours.

J. Education Assistance

UCIP employees are encouraged to seek further education to perform their jobs more effectively and to enhance their professional development. UCIP may subsidize the education expenses of employees under specified circumstances. This policy is subject to availability of funds, and applies only to full-time employees.

1. **Program Eligibility.** The education program must provide a benefit to UCIP by directly relating to the work the employee currently performs or will be required to perform. Eligibility of the education program will be determined by, and must be approved by, the Chief Executive Officer.
2. **Reimbursement.** Education assistance shall not exceed \$500 in any one year. Tuition costs shall not be carried into the next budget year for reimbursement.
3. **Procedures.**
 - a. Employees are encouraged to attend classes and study during non-working hours. In the alternative, the Chief Executive Officer may flex an employee's work schedule to allow the employee to attend classes and study for exams.
 - b. To receive education assistance, an employee must receive approval from the Chief Executive Officer prior to commencement of the class. Employees are encouraged to discuss education assistance well in advance of the commencement of classes, to allow the expense to be appropriately budgeted.
 - c. To be reimbursed, the employee must complete the approved class with a final grade of "C" or better. If the course is only offered on a pass/fail basis, the employee must receive a passing grade.
 - d. The employee must submit proof of a satisfactory grade and proof of tuition payment to the Chief Executive Officer prior to reimbursement.
4. **Required Classes.** If UCIP requires an employee to attend an education program or class, UCIP shall pay the full cost of the program or class.

SECTION IV - STANDARDS OF CONDUCT

UCIP expects its employees to conduct themselves diligently and honorably in their assignments on behalf of the public. Employees should:

1. Work diligently on their assigned duties during their assigned work schedules.
2. Make prudent use of Pool funds, equipment, buildings, supplies, and time.
3. Work courteously with coworkers and the public.
4. Observe work place rules of conduct and safety.
5. Meet the standards of their individual job descriptions.
6. Report and correct circumstances that prevent employees from performing their jobs effectively or completing their assigned tasks.

A. Employee Discipline

Employees who violate Pool policy are subject to discipline. Depending upon the circumstances, UCIP may transfer, suspend, reduce pay, demote, terminate or take whatever other action deemed appropriate by the Chief Executive Officer to discipline employees who violate Pool policy. Grounds for discipline may include, but are not limited to:

1. Inefficiency;
2. Incompetence;
3. Failure to maintain skills;
4. Inadequate performance levels;
5. Neglect of duty;
6. Misconduct;
7. Inability to work in harmony with coworkers;
8. Rudeness to the public;
9. Disobedience of a reasonable order of a supervisor;
10. Dishonesty;
11. Insubordination;

12. Misappropriation or damage to Pool funds or property;
13. Misuse of Pool funds or property;
14. Tardiness;
15. Unapproved absences;
16. Any act inimical to public service; and/or
17. Felony convictions and other violations of state and federal law.

This list is not exhaustive and is set forth as a guideline. This list should **not** be construed as preventing or limiting UCIP from taking disciplinary action, including termination, in circumstances where UCIP deems such action to be appropriate, regardless of whether UCIP has specifically identified a written rule or policy. Similarly, employees may be disciplined for violations of Pool policy found in other sections of this manual, violations of State or Federal law, or violations of relevant policies, rules or laws promulgated elsewhere.

Employees may appeal disciplinary action through UCIP's Dispute Resolution process.

B. **Drug Free Workplace**

UCIP is committed to providing a safe work place and ensuring the safety of the general public and expects your cooperation in this effort.

The purpose of this policy is to implement the Federal Drug Free Workplace Act of 1988 by providing for a safe and productive work environment that is free from impaired performance caused by employee use or abuse of controlled substances, medication, and/or alcohol. This policy establishes procedures for controlling drug or alcohol use or abuse in the workplace and applies to all employees. Impaired means a Significant Measurable Quantity (SMQ) or impermissible quantity of a drug, including alcohol, that indicates a positive drug and/or alcohol test in violation of UCIP's written policy. The SMQ for drugs is established by the Federal Department of Health and Human Services and is subject to change. The SMQ for alcohol is based on the Federal Highway Administration (FHWA) and is subject to change. Impermissible quantities are listed below:

Drug	Screening (ng/ml)	Confirmation (ng/ml)
Marijuana	50	15
Cocaine	150	100
Meth/Amphetamine ¹	500	250

Opiates	2000	2000
Phencyclidine (PCP)	25	25
Barbiturates	300	300
Benzodiazepines	300	300
Propoxyphene	300	300
Methadone	300	300
Alcohol	0.04	0.04

¹Amphetamine must be present, in a concentration greater than 200 ng/ml, to report a specimen positive for methamphetamine. If the amphetamine concentration is less than 200 ng/ml, a 1-methamphetamine analysis must be performed. When the 1-methamphetamine percentage is greater than 80%, the specimen is reported as negative.

1. Responsibility of Employees

- a. No employee shall unlawfully manufacture, dispense, possess, use, or distribute any controlled substance, medication, or alcohol.
- b. Any employee convicted under a federal or state statute regulating controlled substances shall notify his or her supervisor within five (5) days after the conviction.
- c. No employee shall consume alcohol immediately before work, during work hours while at work, during breaks, or during lunch. No employee shall be impaired by alcohol, illegal drugs, or medication during work hours. No employee shall represent UCIP in an official capacity while impaired by alcohol, illegal drugs, or medication.
- d. If an employee is using medication that may impair performance of duties, the employee shall report that fact to his or her supervisor.
 - (i) No employee using medication that may impair performance shall operate a motor vehicle on behalf of UCIP.

2. Reasonable Suspicion Testing

- a. Any employee who has reason to believe that the performance of another employee is impaired by alcohol, illegal drugs, or medication shall notify the impaired employee's supervisor. At the

request of the employee's supervisor, the employee suspected of being under the influence of alcohol and/or drugs shall submit to a chemical test of their bodily fluids. Refusal to submit to a test shall be deemed a violation of this policy subject to disciplinary action, up to and including termination.

The cost of the test shall be paid by UCIP.

3. Corrective Action

- a. The Chief Executive Officer or the supervisor of an employee, whose performance is impaired by alcohol, illegal drugs, or medication, shall take corrective action, which may include discipline.
- b. Upon taking corrective action, the Chief Executive Officer shall prepare a written report stating the reasons for the action.
- c. An employee impaired by illegal drugs or alcohol during work hours shall be relieved from duty and shall be charged earned or accrued vacation leave for the absence.
- d. An employee impaired by medication during work hours may be relieved from duty and shall be charged earned or accrued sick leave for the absence.
- e. The Chief Executive Officer may change an employee's assignment while the employee is using medication, if the employee is impaired by the medication.
- f. If the Chief Executive Officer has reason to believe that an employee may be abusing an illegal drug, medication, or alcohol, the Chief Executive Officer may refer the employee to an evaluation program for the purpose of obtaining a diagnosis.
 - (i) The cost of the evaluation and any necessary testing shall be paid by UCIP.

4. Treatment Program

- a. If an employee admits abusing an illegal drug, medication, or alcohol, or if it is determined by a medical or other recognized professional diagnosis that an employee is abusing an illegal drug, medication, or alcohol, the Chief Executive Officer may refer the employee to a treatment program based on the severity of the condition.

- (i) The employee shall participate in the treatment program at the employee's expense.
 - (ii) The Chief Executive Officer may change an employee's assignment while the employee is enrolled in a treatment program.
- b. An employee participating in a treatment program shall use accumulated leave consistent with the sick leave policy for any absence.
- c. The employee shall provide documentation of successful completion of the treatment program.
 - (i) After the employee's successful completion of the treatment, the Chief Executive Officer shall reinstate the employee to the employee's former or equivalent position.
- d. The employee shall sign a release to allow communication between the Chief Executive Officer and the treatment provider. All such communication shall be maintained in a confidential file separate from the employee's personnel file.
- e. The Chief Executive Officer may dismiss an employee who refuses to enroll in a treatment program, fails to successfully complete the program, or fails to provide documentation of completion.
- f. The Chief Executive Officer may reassign an employee returning from treatment.

C. Sexual Harassment Prohibited

UCIP does not tolerate sexual harassment. Sexual Harassment means “Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment” (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

All employees are responsible for ensuring that the workplace is free from all forms of sexual harassment.

1. Sexual harassment encompasses a wide range of behaviors, including sexual attention, sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature.
2. Examples of sexual harassment may include, but are not limited to the following:
 - a. Implying or threatening adverse employment actions if sexual favors are not granted.
 - b. Promising preferential treatment in return for sexual favors.
 - c. Subtle pressure for sexual activity.
 - d. Inappropriate touching of any individual i.e. petting, pinching, hugging, or repeated brushing against another employee's body.
 - e. Offensive remarks, including unwelcome comments about appearance, obscene jokes, or other inappropriate use of sexually explicit or offensive language
 - f. The display of sexually suggestive objects or pictures.
 - g. Disparaging remarks about a person's gender.
 - h. Spreading stories about a person's sexual conduct.
 - i. Questions about a person's sexual activity.
 - j. Physical aggression such as pinching or patting.
 - k. Verbal sexual abuse disguised as humor.
 - l. Obscene gestures.
 - m. Horseplay or bantering of a sexual or off-color nature.
 - n. Other actions of a sexual nature that affect the terms and conditions of a person's employment.
 - o. Conduct or comments consistently targeted at only one gender, even if the content is not sexual.
3. UCIP considers prompt reporting of harassment to be a condition of your employment. If you believe that you have experienced or witnessed sexual harassment, you must immediately report your concern to the Chief Executive Officer. If you feel uncomfortable reporting to the Chief Executive Officer, contact a member of the UCIP Board of Trustees.

4. UCIP will not retaliate against any person who reports sexual harassment unless the report was false and was made maliciously.
5. UCIP will investigate allegations of sexual harassment and will take appropriate action against any person found to have violated this policy. Individuals who engage in sexual harassment are subject to discipline, which may include, but is not limited to reprimand, reassignment, suspension, demotion, termination, or other sanctions.

D. Harassment Based on Other Protected Categories Prohibited

UCIP believes that a workplace free from hostile, intimidating, or offensive behavior is the most productive workplace. Employees should use courtesy and professionalism when interacting with coworkers. Employees who harass others based upon their color, national origin, age, religion or disability are subject to discipline, up to and including termination. All employees should work together in a professional manner with courteous, mutual respect.

Harassment based on color, national origin, age, religion or disability encompasses a wide range of behaviors, including racially based derogatory comments, taunting, or treatment. Examples of protected category harassment may include, but are not limited to, the following:

1. Slurs or put-downs based on color, national origin, age, religion or disability.
2. Materials such as cartoons or e-mails making fun based on color, national origin, age, religion or disability.

UCIP considers prompt reporting of harassment to be a condition of your employment. If you believe that you have experienced or witnessed harassment based on color, national origin, age, religion or disability, you must immediately report your concern to the Chief Executive Officer. If you feel uncomfortable reporting to the Chief Executive Officer, contact a member of the Board of Trustees.

UCIP will investigate allegations of protected category harassment and will take appropriate action against any person found to have violated this policy. Individuals who engage in protected category harassment are subject to discipline, which may include, but is not limited to reprimand, reassignment, suspension, demotion, termination, or other sanctions.

E. Computer and E-Mail Usage

UCIP recognizes that excessive personal use of UCIP-owned computers during work hours can affect productivity. UCIP reserves the right to monitor computer usage, files stored on UCIP computers and Internet usage.

For purposes of this policy, "files" means all documents, programs, e-mail, and Internet locations that are created, accessed, stored, or temporarily located on a UCIP computer.

1. **Personal Use.** Employees may use assigned computers for limited personal purposes. This approval is similar to the occasional personal use of telephones during breaks. Excessive use of the computer for personal reasons is not allowed.
2. **Inappropriate Usage.** Employees are not allowed to use a computer for self-employment, or outside employment purposes. Entering or maintaining information on a Pool computer that is in violation of UCIP's policies and procedures, or that violates state or federal law, is prohibited.
3. **Privacy.** All files created, accessed, or stored on a UCIP computer are considered UCIP property. Employees are advised that there is no right to privacy when using a UCIP Computer. As a public agency, all data and files created, accessed, or stored on a UCIP computer may be subject to governmental records access laws, and may become public in compliance with such laws.
4. **Licenses.** Employees shall use computer software only in accordance with the license agreement. Copying software licensed to, or developed by, UCIP for home computer use or any other purpose is prohibited. Bringing software from home computers to run on UCIP computers is also prohibited. Downloading of software onto UCIP computers is prohibited unless prior authorization has been provided by the Chief Executive Officer.
5. **Equipment.** Only authorized employees may purchase, move, alter, or repair computer equipment and wiring.
6. **E-mail.** Employees may use UCIP's e-mail functions as explained above.
7. **Internet Access.** Internet usage falls within the above constraints.
8. **Disciplinary Action.** Employees using Pool computers in an unauthorized or inappropriate manner may be disciplined. Discipline may include termination.

F. **Seat Belt Use**

Employees must use seatbelts while in vehicles performing UCIP business which includes travel eligible for reimbursement by UCIP.

G. Cell Phone Use

Cell phones should not be used while in vehicles performing UCIP business which includes travel eligible for reimbursement by UCIP when it is a distraction to driving. Whenever possible, the employee should use hands free phone equipment or pull over when safe to continue or return the phone call.

H. Acceptance of Gifts, Compensation or Loans

As public agency employees, UCIP employees are required to comply with Utah Code §67-16-5 as amended. Employees must notify the Chief Executive Officer of all gifts accepted by individual employees. Gifts offered to the staff as group will be approved by the Chief Executive Officer prior to acceptance. Failure to comply with this policy may result in discipline. Discipline may include termination.

SECTION V - DISPUTE RESOLUTION PROCESS

A. Dispute Resolution Philosophy

UCIP encourages its employees to work to resolve disputes amicably and informally. When a dispute arises regarding suspension, transfer, demotion, or dismissal, full-time employees may seek redress through the dispute resolution process. When a dispute arises regarding unlawful discrimination, all employees may seek redress through the dispute resolution process. The following definitions apply to the dispute resolution process:

1. **Suspension.** An absence imposed as discipline, without pay, which may or may not result in further disciplinary action.
2. **Transfer.** An involuntary job assignment change from one department to another.
3. **Demotion.** A job classification change to a lower grade.
4. **Dismissal.** Involuntary termination from Pool employment
5. **Unlawful Discrimination.** A claim of discriminatory treatment based on a protected category such as race, color, national origin, sex, age, disability, or religion.

This dispute resolution process is intended to foster fair resolution of employee disputes. Therefore, procedure should not override efforts to amicably resolve differences. However, in order to expeditiously resolve disputes and minimize interference with the public's business, matters of timing should be adhered to unless good cause is shown or the parties agree to extensions.

UCIP prohibits retaliation against employees who utilize the dispute resolution process. Employees with questions regarding how the dispute resolution process works may seek counseling from the Chief Executive Officer regarding procedure; however, the Chief Executive Officer cannot comment or provide advice on the substantive issues in dispute. Employees may select a representative of their choice to represent them at any stage of the dispute resolution process.

UCIP urges employees to attempt to resolve disputes informally with the Chief Executive Officer. Before launching a formal review with the Chief Executive Officer, employees should attempt to resolve disputes by dealing directly with the individuals involved. However, UCIP recognizes that there are circumstances where employees may feel uncomfortable addressing issues directly with a supervisor. In such cases, employees may proceed directly to the next step of the dispute resolution process.

B. Dispute Resolution Procedure

UCIP's dispute resolution process involves two steps. Employees who are unhappy with the outcome of any step may proceed to the next step in the process. Step one of the dispute resolution process must be commenced within 30 calendar days of the event giving rise to the dispute or within 30 calendar days of the time the employee reasonably should have known of the event giving rise to the dispute.

Step One: Chief Executive Officer Review

If a dispute remains unresolved after an informal attempt to work out a solution, an employee may file a written appeal with the Chief Executive Officer stating the basis of the dispute and outlining the employee's position. The Chief Executive Officer has ten working days to respond to the employee's dispute.

Step Two: Board of Trustees Review

If the employee is unsatisfied with the outcome of the Chief Executive Officer review, or if the Chief Executive Officer fails to respond within ten working days, the employee has ten working days from the receipt of the Chief Executive Officer's response, or the date the Chief Executive Officer should have responded, to file a written appeal with the Board of Trustees. The Board may request additional information from the parties involved and, at its discretion, may hold an informal hearing attended by the parties. If the Board elects to hold a hearing, the Board will issue a written decision to the parties within fifteen working days from the hearing date. If the Board elects not to hold a hearing, the Board will issue a written decision within fifteen working days of receipt of the last additional information requested by the Board from the parties.

SCHEDULE OF UCIP DISCRETIONARY BENEFITS

UCIP will provide the benefits outlined in the UCIP Employee Manual at the rates and under the terms and conditions described within this Schedule of UCIP Discretionary Benefits. All benefits described may be amended from time to time by action of the UCIP Board of Trustees, at their sole discretion.

Retirement Account Contributions

Pension Plan. UCIP pays the required employer retirement contributions as certified annually into the Public Employee Local Government Retirement Program of the Utah Retirement Systems for the plan that the employee is eligible.

Individual Retirement Accounts. UCIP will provide each employee the option to participate in either or both a 401k plan administered by the Utah Retirement Systems and a 457 plan administered by Nationwide Insurance through the National Association of Counties. UCIP contributes an amount equal to the amount contributed by the employee from the employee's payroll into the 401k plan and/or the 457 plan at the employee's discretion. The total UCIP contribution to the URS 401k Plan and the Nationwide 457 Plan shall not exceed 5% of the employee's eligible payroll.

Health Insurance

For the UCIP sponsored group health insurance coverage, UCIP pays 90% of the monthly premiums for employee coverage and 90% of the monthly premiums for the employee's spouse and eligible dependents coverage. The employee is responsible for all deductibles and co-payments.

Accidental Death and Dismemberment

For the UCIP sponsored group Accidental Death and Dismemberment insurance coverage, UCIP pays 100% of the monthly premiums for \$50,000 of coverage for the employee.

Dental and Optical Insurance

For the UCIP sponsored group dental and optical insurance coverage, UCIP pays 90% of the monthly premiums for employee coverage and 90% of the monthly premiums for the employee's spouse and eligible dependents coverage. The employee is responsible for all deductibles and co-payments.

Long Term Disability

In compliance with Utah Code §49-21-101 et. seq. as amended, Public Employees Long Term Disability Act, UCIP shall pay 100% of contributions to the fund created under the Act for all eligible Tier 1 employees, to provide benefits as provided for in the Act.

Health Reimbursement Program

UCIP will annually deposit \$500 into a Health Reimbursement Account for each employee. Employees may be reimbursed from their account for the cost of deductibles,

co-payments and eligible unreimbursed health care expenses. Funds in the account at the end of the year will be rolled over into the account for the following year.

Life Insurance

For the UCIP sponsored group life insurance coverage, UCIP pays 100% of the monthly premiums for \$50,000 coverage for the employee and 100% of the monthly premium for \$10,000 coverage for the employee's spouse and eligible dependents.

Auto Allowance

UCIP provides specific employees who regularly use their personal auto for UCIP business a Monthly Auto Allowance of \$750. The employee will be reimbursed for mileage only when the mileage for a UCIP approved business trip exceeds the Mileage Reimbursement Threshold of 100 Miles round trip.

Cell Phone Allowance

UCIP provides specific employees, who regularly use their personal cell phone for UCIP business, a Monthly Cell Phone Allowance of \$75.

Vacation

Eligible employees with less than five years of service earn vacation leave at the rate of one day of vacation leave for every month worked (one day for each full month of service). Employees with more than five but less than ten years of service earn 1.25 days per month, and employees with ten years of service and over earn 1.67 days per month. Vacation leave may be advanced to employees with the approval of the Chief Executive Officer. Advanced leave requests of more than 12 days must be submitted to the UCIP Board of Trustees for approval. Advanced leave not earned prior to a termination will be deducted from the employee's final pay check.

Vacation hours may be carried forward to succeeding years. However, no more than 45 days (360 hours) may be accumulated. All accumulated vacation leave above 45 days will be paid to the employee at the current rate of pay at the end of the calendar year.

Sick Leave

Eligible employees earn sick leave at a rate of one day of leave for every month worked (one day for each full month of service). Sick leave is earned in whole day increments only.

A limit of 75 days (600 hours) of earned sick leave may be accrued and carried forward to succeeding years. Earned or accrued sick leave exceeding this limit may be converted to additional vacation time at the rate of one day sick leave equals one-half ($\frac{1}{2}$) day additional vacation time and may either be added to the employee's accrued vacation or paid to the employee, at the rate of pay that the sick leave was earned, at the end of the calendar year.

Discretionary Award

Discretionary awards may not exceed \$250 per employee.

Public Officers Prohibiting Employment of Relatives

52-3-1. Employment of relatives prohibited -- Exceptions.

(1) For purposes of this section:

(a) "Appointee" means an employee whose salary, wages, pay, or compensation is paid from public funds.

(b) "Chief administrative officer" means the person who has ultimate responsibility for the operation of the department or agency of the state or a political subdivision.

(c) "Public officer" means a person who holds a position that is compensated by public funds.

(d) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

(2) (a) No public officer may employ, appoint, or vote for or recommend the appointment of a relative in or to any position or employment, when the salary, wages, pay, or compensation of the appointee will be paid from public funds and the appointee will be directly supervised by a relative, except as follows:

(i) the appointee is eligible or qualified to be employed by a department or agency of the state or a political subdivision of the state as a result of his compliance with civil service laws or regulations, or merit system laws or regulations;

(ii) the appointee will be compensated from funds designated for vocational training;

(iii) the appointee will be employed for a period of 12 weeks or less;

(iv) the appointee is a volunteer as defined by the employing entity;

(v) the appointee is the only person available, qualified, or eligible for the position; or

(vi) the chief administrative officer determines that the public officer is the only person available or best qualified to perform supervisory functions for the appointee.

(b) No public officer may directly supervise an appointee who is a relative when the salary, wages, pay, or compensation of the relative will be paid from public funds, except as follows:

(i) the relative was appointed or employed before the public officer assumed his position, if the relative's appointment did not violate the provisions of this chapter in effect at the time of his appointment;

(ii) the appointee is eligible or qualified to be employed by a department or agency of the state or a political subdivision of the state as a result of his compliance with civil service laws or regulations, or merit system laws or regulations;

(iii) the appointee will be compensated from funds designated for vocational training;

(iv) the appointee will be employed for a period of 12 weeks or less;

(v) the appointee is a volunteer as defined by the employing entity;

(vi) the appointee is the only person available, qualified, or eligible for the position; or

(vii) the chief administrative officer determines that the public officer is the only person available or best qualified to perform supervisory functions for the appointee.

(c) When a public officer supervises a relative under Subsection (2)(b):

(i) the public officer shall make a complete written disclosure of the relationship to the chief administrative officer of the agency or institution; and

(ii) the public officer who exercises authority over a relative may not evaluate the relative's job performance or recommend salary increases for the relative.

(3) No appointee may accept or retain employment if he is paid from public funds, and he is under the direct supervision of a relative, except as follows:

(a) the relative was appointed or employed before the public officer assumed his position, if the relative's appointment did not violate the provisions of this chapter in effect at the time of his appointment;

(b) the appointee was or is eligible or qualified to be employed by a department or agency of the state or a political subdivision of the state as a result of his compliance with civil service laws or regulations, or merit system laws or regulations; (c) the appointee is the only person available, qualified, or eligible for the position;

(d) the appointee is compensated from funds designated for vocational training;

(e) the appointee is employed for a period of 12 weeks or less;

(f) the appointee is a volunteer as defined by the employing entity; or

(g) the chief administrative officer has determined that the appointee's relative is the only person available or qualified to supervise the appointee.

52-3-2. Each day of violation a separate offense.

Each day any such person, father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousins, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law, is retained in office by any of said officials shall be regarded as a separate offense.

52-3-3. Penalty.

Any person violating any of the provisions of this chapter is guilty of a misdemeanor.

52-3-4. Exceptions in towns and rural areas.

(1) In a town, as defined in Section 10-1-104, this chapter shall not apply to the employment of uncles, aunts, nephews, nieces, or cousins.

(2) This chapter shall not apply to the employment of a relative if:

(a) fewer than 3,000 people live within 40 miles of the primary place of employment, measured over all weather public roads;

(b) the job opening has had reasonable public notice; and

(c) the relative is the best qualified candidate for the position.

(3) In any proceeding challenging the hiring of a relative under the exception in Subsection (2), the employer has the burden of establishing each of the criteria provided in Subsections (2)(a) through (c).

State Officers and Employees Utah Public Officers' and Employees' Ethics Act

67-16-5. Accepting gift, compensation, or loan -- When prohibited.

(1) As used in this section, "economic benefit tantamount to a gift" includes:

- (a) a loan at an interest rate that is substantially lower than the commercial rate then currently prevalent for similar loans; and
- (b) compensation received for private services rendered at a rate substantially exceeding the fair market value of the services.

(2) It is an offense for a public officer or public employee, under circumstances not amounting to a violation of Section 63G-6-1001 or 76-8-105, to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or a substantial economic benefit tantamount to a gift:

(a) that would tend improperly to influence a reasonable person in the person's position to depart from the faithful and impartial discharge of the person's public duties;

(b) that the public officer or public employee knows or that a reasonable person in that position should know under the circumstances is primarily for the purpose of rewarding the public officer or public employee for official action taken; or

(c) if the public officer or public employee recently has been, is now, or in the near future may be involved in any governmental action directly affecting the donor or lender, unless a disclosure of the gift, compensation, or loan and other relevant information has been made in the manner provided in Section 67-16-6.

(3) Subsection (2) does not apply to:

- (a) an occasional nonpecuniary gift, having a value of not in excess of \$50;
- (b) an award publicly presented in recognition of public services;
- (c) any bona fide loan made in the ordinary course of business; or
- (d) a political campaign contribution.

Utah State Retirement and Insurance Benefit Act

49 21 101. Title.

This chapter is known as the "Public Employees' Long Term Disability Act."

49 21 102. Definitions.

As used in this chapter:

- (1) "Date of disability" means the date on which a period of continuous disability commences, and may not commence on or before the last day of actual work.
- (2) (a) "Eligible employee" means the following employee whose employer provides coverage under this chapter:
 - (i) (A) any regular full time employee as defined under Section 49 12 102, 49 13 102, or 49 22 102;
 - (B) any public safety service employee as defined under Section 49 14 102, 49 15 102, or 49 23 102;
 - (C) any firefighter service employee or volunteer firefighter as defined under Section 49 23 102 who began firefighter service on or after July 1, 2011;
 - (D) any judge as defined under Section 49 17 102 or 49 18 102; or
 - (E) the governor of the state;
 - (ii) an employee who is exempt from participating in a retirement system under Subsection 49 12 203(2), 49 13 203(2), 49 14 203(1), or 49 15 203(1); and
 - (iii) an employee who is covered by a retirement program offered by the Teachers' Insurance and Annuity Association of America.
- (b) "Eligible employee" does not include:
 - (i) any employee that is exempt from coverage under Section 49 21 201; or
 - (ii) a retiree.
- (3) "Elimination period" means the three months at the beginning of each continuous period of total disability for which no benefit will be paid. The elimination period begins on the nearest first day of the month from the date of disability. The elimination period may include a one time trial return to work period of less than 15 consecutive calendar days.
- (4) "Maximum benefit period" means the maximum period of time the monthly disability income benefit will be paid under Section 49 21 403 for any continuous period of total disability.
- (5) "Monthly disability benefit" means the monthly payments and accrual of service credit under Section 49 21 401.
- (6) "Objective medical impairment" means an impairment resulting from an injury or illness which is diagnosed by a physician and which is based on accepted objective medical tests or findings rather than subjective complaints.
- (7) "Physician" means a licensed physician.
- (8) "Regular monthly salary" means the amount certified by the participating employer as the monthly salary of the eligible employee, unless there is a discrepancy between the certified amount and the amount actually paid, in which case the office shall determine the regular monthly salary.
- (9) "Regular occupation" means either the primary duties performed by the eligible employee for the 12 months preceding the date of disability, or a permanent assignment of duty to the eligible employee.
- (10) "Rehabilitative employment" means any occupation or employment for wage or profit, for which the eligible employee is reasonably qualified to perform based on education, training, or experience.

(11) (a) "Total disability" means the complete inability, due to objective medical impairment, whether physical or mental, to engage in the eligible employee's regular occupation during the elimination period and the first 24 months of disability benefits.

(b) "Total disability" means, after the elimination period and the first 24 months of disability benefits, the complete inability, based solely on physical objective medical impairment, to engage in any gainful occupation which is reasonable, considering the eligible employee's education, training, and experience.

49 21 103. Creation of program.

There is created for eligible employees the "Public Employees' Long Term Disability Program."

49 21 104. Creation of trust fund.

(1) There is created the "Public Employees' Long Term Disability Trust Fund" for the purpose of paying the benefits and costs of administering this program.

(2) The fund shall consist of all money and interest paid into it in accordance with this chapter, whether in the form of cash, securities, or other assets, and of all money received from any other source.

(3) Custody, management, and investment of the fund shall be governed by Chapter 11, Utah State Retirement Systems Administration.

49 21 105. Purpose.

(1) The purpose of this chapter is to provide long term disability benefits for eligible employees.

(2) The program shall be administered by the office, under policies and rules adopted by the board.

49 21 201. Program membership Eligibility.

(1) The state shall cover all of its eligible employees under this chapter.

(2) Public safety service employees, as defined in Sections 49 14 102, 49 15 102, and 49 23 102 shall be covered under this chapter or a substantially similar long term disability program in accordance with the provisions of Section 49 14 601, 49 15 601, or 49 23 601.

(3) Beginning on July 1, 2011, firefighter service employees, as defined in Section 49 23 102, initially entering employment on or after July 1, 2011, and volunteer firefighters, as defined in Section 49 23 102, shall be covered under this chapter or a substantially similar long term disability program in accordance with the provisions of Section 49 23 601.

(4) Except as provided under Subsection (5), all other employers may provide coverage for their eligible employees under this chapter.

(5) If an employer elects to cover any of its eligible employees under this chapter, all of its eligible employees shall be covered.

(6) Except as provided under Subsections (1) and (2), nothing in this chapter requires any employer to cover its eligible employees under this chapter.

(7) The following employees are not eligible for coverage under this chapter:

(a) firefighter service employees, as defined under Section 49 16 102, that initially entered employment prior to July 1, 2011; and

(b) legislators.

49 21 301. Contributions to fund program Adjustment of premium rate.

(1) During each legislative session, the board shall certify to the Legislature the employer paid premium rate expressed as a percentage of salary which is required to fund the Public Employees' Long Term Disability Trust Fund.

(2) Upon the board's recommendation, the Legislature shall adjust the premium rate to maintain adequate funding for the Public Employees' Long Term Disability Trust Fund.

49-21-401. Disability benefits -- Application -- Eligibility.

(1) An eligible employee shall apply for long-term disability benefits under this chapter by:

(a) completing an application form prepared by the office;
(b) signing a consent form allowing the office access to the eligible employee's medical records; and

(c) providing any documentation or information reasonably requested by the office.

(2) (a) If an eligible employee is unable to apply on the employee's own behalf, the application may be made by a person who is:

(i) the attorney for an eligible employee; or
(ii) appointed as a conservator or guardian of the eligible employee.

(b) A person described in Subsection (2)(a), may not make an application for a deceased employee.

(3) Upon request by the office, the participating employer of the eligible employee shall provide to the office documentation and information concerning the eligible employee.

(4) The office shall review all relevant information and determine whether or not the eligible employee has a total disability.

(5) If the office determines that the eligible employee has a total disability due to accidental bodily injury or physical illness which is not the result of the performance of an employment duty, the eligible employee shall receive a monthly disability benefit equal to two-thirds of the eligible employee's regular monthly salary, for each month the total disability continues beyond the elimination period, not to exceed the maximum benefit period.

(6) If the office determines that the eligible employee has a total disability due to psychiatric illness, the eligible employee shall receive:

(a) a maximum of two years of monthly disability benefits equal to two-thirds of the eligible employee's regular monthly salary for each month the total disability continues beyond the elimination period;

(b) a maximum of \$10,000 for psychiatric expenses, including rehabilitation expenses preauthorized by the office's consultants, paid during the period of monthly disability benefits; and

(c) payment of monthly disability benefits according to contractual provisions for a period not to exceed five years if the eligible employee is institutionalized due to psychiatric illness.

(7) If the office determines that the eligible employee has a total disability due to a physical injury resulting from external force or violence as a result of the performance of an employment duty, the eligible employee shall receive a monthly disability benefit equal to 100% of the eligible employee's regular monthly salary, for each month the total disability continues beyond the elimination period, not to exceed the maximum benefit period.

(8) (a) Successive periods of disability are considered as a continuous period of disability if the period of disability:

(i) results from the same or related causes;
(ii) is separated by less than six months of continuous full-time work at the individual's usual place of employment; and

(iii) commences while the individual is an eligible employee covered by this chapter.

(b) The inability to work for a period of less than 15 consecutive calendar days is not considered as a period of disability.

(c) If Subsection (8)(a) or (b) does not apply, successive periods of disability are considered as separate periods of disability.

(9) The office may, at any time, have any eligible employee claiming to have a disability examined by a physician chosen by the office to determine if the eligible employee has a total disability.

(10) A claim brought by an eligible employee for long-term disability benefits under the Public Employee's Long-Term Disability Program is barred if it is not commenced within one year from the eligible employee's date of disability, unless the office determines that under the surrounding facts and circumstances, the eligible employee's failure to comply with the time limitations was reasonable.

(11) Medical or psychiatric conditions which existed prior to eligibility may not be a basis for disability benefits until the eligible employee has had one year of continuous eligibility in the Public Employees Long-Term Disability Program.

(12) If there is a valid benefit protection contract, service credit shall accrue during the period of total disability, unless the disabled eligible employee is exempted from a system, or is otherwise ineligible for service credit.

(13) Regardless of any medical evidence provided by the employee to support the application for disability, an employee is not eligible for long-term disability benefits during any period in which the employee:

- (a) makes a claim that the employee is able to work; or
- (b) has a pending action in a court or before any federal, state, or local administrative body in which the employee has made a claim that the employee is able to work.

(14) Notwithstanding the provisions of Section 49-11-618, upon written request by an employer, information obtained under this part may, upon an order of a court or an administrative law judge, be released to an employer who is a party in an action under Subsection (13).

49 21 402. Reduction or reimbursement of benefit Circumstances Application for other benefits required.

(1) A monthly disability benefit may not be paid for any period of total disability unless the eligible employee is under the ongoing care and treatment of a physician other than the eligible employee.

(2) The monthly disability benefit shall be reduced or reimbursed by any amount received by, or payable to, the eligible employee from the following sources for the same period of time during which the eligible employee is entitled to receive a monthly disability benefit:

- (a) Social Security disability benefits, including all benefits received by the eligible employee, the eligible employee's spouse, and the eligible employee's children as determined by the Social Security Administration;
- (b) workers' compensation indemnity benefits;
- (c) any money received by judgment, legal action, or settlement from a third party liable to the employee for the disability;
- (d) unemployment compensation benefits;
- (e) automobile no fault, medical payments, or similar insurance payments; and
- (f) any money received by a judgment, settlement, or other payment as a result of a claim against an employer.

(3) The monthly disability benefit shall be reduced by any amount in excess of one third of the eligible employee's regular monthly salary received by, or payable to, the eligible employee from the following sources for the same period of time during which the eligible employee is entitled to receive a monthly disability benefit:

- (a) any employer sponsored retirement programs; and
- (b) any disability benefit resulting from the disability for which benefits are being received under this chapter.

(4) After the date of disability, cost of living increases to any of the benefits listed in Subsection (2) or (3) may not be considered in calculating a reduction to the monthly disability benefit.

(5) Any amounts payable to the eligible employee from one or more of the sources under Subsection (2) are considered as amounts received whether or not the amounts were actually received by the eligible employee.

(6) (a) An eligible employee shall first apply for all disability benefits from governmental entities under Subsection (2) to which the eligible employee is or may be entitled, and provide to the office evidence of the applications.

(b) If the eligible employee fails to make application under this Subsection (6), the monthly disability benefit shall be suspended.

49-21-403. Termination of disability benefits -- Calculation of retirement benefit.

(1) An eligible employee covered by this chapter and eligible for service credit under a system or plan, including an eligible employee who relinquishes rights to retirement benefits under Section 49-11-619, who applies and is qualified for a monthly disability benefit shall receive a monthly disability benefit until the earlier of:

(a) the date of the eligible employee's death;

(b) the date the eligible employee no longer has a disability;

(c) the date the eligible employee has accumulated:

(i) 20 years of service credit if the eligible employee is covered by Chapter 14, Public Safety Contributory Retirement Act, or Chapter 15, Public Safety Noncontributory Retirement Act;

(ii) 25 years of service credit if the eligible employee is covered by Chapter 17, Judges' Contributory Retirement Act, or Chapter 18, Judges' Noncontributory Retirement Act;

(iii) 30 years of service credit if the eligible employee is covered by Chapter 12, Public Employees' Contributory Retirement Act, or Chapter 13, Public Employees' Noncontributory Retirement Act;

(iv) 35 years of service credit if the eligible employee is covered by the defined benefit portion under Chapter 22, Part 3, Tier II Hybrid Retirement System, or is covered by the defined contribution plan under Chapter 22, Part 4, Tier II Defined Contribution Plan; or

(v) 25 years of service credit if the eligible employee is covered by the defined benefit portion under Chapter 23, Part 3, Tier II Hybrid Retirement System, or is covered by the defined contribution plan under Chapter 23, Part 4, Tier II Defined Contribution Plan; or

(d) the date the eligible employee has received a monthly disability benefit for the following applicable time periods:

(i) if the eligible employee is under age 60, the monthly disability benefit is payable until age 65;

(ii) if the eligible employee is 60 or 61 years of age on the date of disability, the monthly disability benefit is payable for five years;

(iii) if the eligible employee is 62 or 63 years of age on the date of disability, the monthly disability benefit is payable for four years;

(iv) if the eligible employee is 64 or 65 years of age on the date of disability, the monthly disability benefit is payable for three years;

(v) if the eligible employee is 66, 67, or 68 years of age on the date of disability, the monthly disability benefit is payable for two years; and

(vi) if the eligible employee is 69 years of age or older on the date of disability, the monthly disability benefit is payable for one year.

(2) (a) Upon termination of a monthly disability benefit, an eligible employee eligible for service credit under a system may retire under the requirements of the system which covered the eligible employee on the date of disability.

(b) The final average salary used in the calculation of the allowance shall be based on the annual rate of pay on the date of disability, improved by the annual cost-of-living increase factor applied to retirees of the system which covered the eligible employee on the date of disability.

(3) An eligible employee who is eligible for service credit in a system, but has relinquished rights to an allowance under Section 49-11-619, may receive the benefits the eligible employee would have received by being eligible for service credit in the system covering the eligible employee on the date of disability, except for the accrual of service credit, in accordance with this title.

(4) An eligible employee receiving a monthly disability benefit who has service credit from two or more systems may not combine service credits under Section 49-11-405 in qualifying for retirement, unless the eligible employee would receive a greater allowance by combining the service credits.

(5) An eligible employee covered by this chapter who is a participant in the Tier II Defined Contribution Plan, created in Chapter 22, Part 4, Tier II Defined Contribution Plan, or Chapter 23, Part 4, Tier II Defined Contribution Plan, who applies and is qualified for a monthly disability benefit, shall receive a monthly disability benefit until the earlier of:

- (a) the date of the eligible employee's death;
- (b) the date the eligible employee no longer has a disability;
- (c) (i) 35 years from the date the eligible employee began participation in the Tier II Defined Contribution Plan, created in Chapter 22, Part 4, Tier II Defined Contribution Plan; or
- (ii) 25 years from the date the eligible employee began participation in the Tier II Defined Contribution Plan created in Chapter 23, Part 4, Tier II Defined Contribution Plan; or
- (d) the date the eligible employee has received a monthly disability benefit for the following applicable time periods:
 - (i) if the eligible employee is under age 60, the monthly disability benefit is payable until age 65;
 - (ii) if the eligible employee is 60 or 61 years of age on the date of disability, the monthly disability benefit is payable for five years;
 - (iii) if the eligible employee is 62 or 63 years of age on the date of disability, the monthly disability benefit is payable for four years;
 - (iv) if the eligible employee is 64 or 65 years of age on the date of disability, the monthly disability benefit is payable for three years;
 - (v) if the eligible employee is 66, 67, or 68 years of age on the date of disability, the monthly disability benefit is payable for two years; and
 - (vi) if the eligible employee is 69 years of age or older on the date of disability, the monthly disability benefit is payable for one year.

49-21-404. Annual adjustment to disability benefit.

(1) (a) An eligible employee receiving a monthly disability benefit shall receive an annual adjustment on the date following the end of the elimination period to reflect annual changes in the United States Bureau of Labor Statistics Consumer Price Index average as determined by the board.

(b) This adjustment may not exceed adjustments made to retirees under the system which covered the eligible employee on the date of disability.

(2) If an employee is not participating in a system, the annual adjustment may not exceed the adjustment paid in the system which would cover the employee if the employee were participating in a system.

49 21 405. Disability benefit -- Exclusions.

A monthly disability benefit is not payable for the following:

- (1) self inflicted injury;
- (2) alcoholism;
- (3) substance abuse;
- (4) disability arising from or caused by acts of aggression committed by the eligible employee; or
- (5) the eligible employee committing or attempting to commit a felony or other illegal act.

49 21 406. Rehabilitative employment Interview by disability specialist Maintaining eligibility Additional treatment and care.

(1) (a) If an eligible employee, during a period of total disability for which the monthly disability benefit is payable, engages in approved rehabilitative employment, the monthly disability benefit otherwise payable shall be reduced by an amount equal to 50% of the income to which the eligible employee is entitled for the employment during the month.

(b) This benefit is payable for up to two years or to the end of the maximum benefit period, whichever occurs first.

(2) (a) Each eligible employee receiving a monthly disability benefit shall be interviewed by the office.

(b) The office may refer the eligible employee to a disability specialist for a review of the eligible employee's condition and a written rehabilitation plan.

(3) If an eligible employee receiving a monthly disability benefit fails to participate in an office approved rehabilitation program within the limitations set forth by a physician, the monthly disability benefit may be suspended or terminated.

(4) The office may, as a condition of paying a monthly disability benefit, require that the eligible employee receive medical care and treatment if that treatment is reasonable or usual according to current medical practices.

UTAH COUNTIES INDEMNITY POOL

Workers Compensation Premium Change

	2012	2011	Change	%
Box Elder	160,675	166,177	(5,502)	-3.4%
Daggett	30,092	29,398	694	2.3%
Duchesne	82,512	71,233	11,279	13.7%
Garfield	43,265	31,801	11,464	26.5%
Iron	152,018	147,062	4,956	3.3%
Juab	52,076	48,130	3,946	7.6%
Kane	62,708	59,102	3,606	5.8%
Millard	84,120	74,278	9,842	11.7%
Morgan	21,580	31,888	(10,308)	-47.8%
Piute	12,893	11,459	1,434	11.1%
Rich	13,101	12,400	701	5.4%
San Juan	68,502	63,271	5,231	7.6%
Sanpete	41,548	34,353	7,195	17.3%
Sevier	76,688	65,635	11,053	14.4%
Tooele	166,804	254,336	(87,532)	-52.5%
Washington	149,792	177,595	(27,803)	-18.6%
Wayne	12,692	12,772	(80)	-0.6%
Weber	269,273	310,259	(40,986)	-15.2%
UCIP	818	911	(93)	-11.3%
	<u>1,501,157</u>	<u>1,602,060</u>	<u>(100,903)</u>	<u>-6.7%</u>

UTAH COUNTIES INDEMNITY POOL

Workers Compensation Changes 2011 to 2012

	Payroll Change	Mod Change	Premium Change
Box Elder	1%	0.01	-3%
Daggett	4%	0.05	2%
Duchesne	5%	0.14	14%
Garfield	30%	-0.05	26%
Iron	-5%	0.15	3%
Juab	-22%	0.26	8%
Kane	16%	0.24	6%
Millard	-3%	0.17	12%
Morgan	-10%	0	-48%
Piute	4%	0.27	11%
Rich	0%	0.08	5%
San Juan	3%	0.04	8%
Sanpete	23%	-0.1	17%
Sevier	0%	0.25	14%
Tooele	5%	-0.05	-52%
Washington	-1%	-0.06	-19%
Wayne	2%	0.02	-1%
Weber	-2%	0.01	-15%
UCIP	-12%	-1	-11%

UTAH COUNTIES INDEMNITY POOL

Payroll Comparison

	2012	2011	Change	%
Box Elder	7,600,515	7,561,761	38,754	1%
Daggett	2,171,500	2,087,710	83,790	4%
Duchesne	6,140,747	5,860,898	279,849	5%
Garfield	3,479,111	2,427,930	1,051,181	30%
Iron	9,506,303	9,991,807	(485,504)	-5%
Juab	2,822,691	3,440,911	(618,220)	-22%
Kane	4,161,000	3,476,104	684,896	16%
Millard	7,095,340	7,286,465	(191,125)	-3%
Morgan	2,248,140	2,464,452	(216,312)	-10%
Piute	653,150	623,792	29,358	4%
Rich	1,089,773	1,089,773	0	0%
San Juan	5,681,352	5,499,561	181,791	3%
Sanpete	3,948,006	3,035,226	912,780	23%
Sevier	5,287,098	5,293,999	(6,901)	0%
Tooele	16,976,556	16,108,324	868,232	5%
Washington	17,534,604	17,674,409	(139,805)	-1%
Wayne	1,098,165	1,078,172	19,993	2%
Weber	29,858,334	30,561,975	(703,641)	-2%
UCIP	443,760	495,484	(51,724)	-12%
	<u>127,796,145</u>	<u>126,058,753</u>	<u>1,737,392</u>	<u>1.4%</u>

UTAH COUNTIES INDEMNITY POOL

Workers Compensation Experience Modification Factor

Comparison 2011 to 2012

	2012	2011	Change
Box Elder	1.40	1.39	0.01
Daggett	0.92	0.87	0.05
Duchesne	1.06	0.92	0.14
Garfield	0.87	0.92	(0.05)
Iron	1.12	0.97	0.15
Juab	1.45	1.19	0.26
Kane	1.37	1.13	0.24
Millard	0.93	0.76	0.17
Morgan	0.90	0.90	0.00
Piute	1.40	1.13	0.27
Rich	0.89	0.81	0.08
San Juan	0.88	0.84	0.04
Sanpete	0.92	1.02	(0.10)
Sevier	1.14	0.89	0.25
Tooele	0.74	0.79	(0.05)
Washington	0.70	0.76	(0.06)
Wayne	0.98	0.96	0.02
Weber	0.74	0.73	0.01
UCIP	0.00	1.00	(1.00)

INSTITUTIONAL LIQUIDITY MANAGEMENT

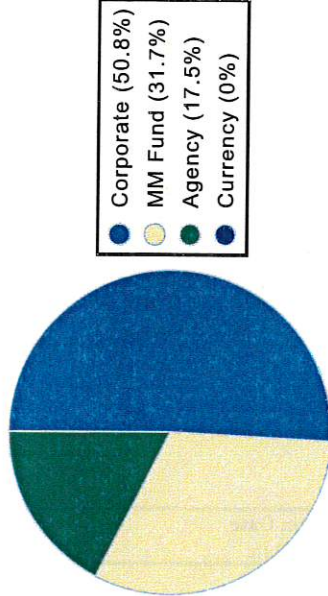
A service of Contango Capital Advisors and Western National Trust Company

Balance Sheet		ZWA-UCIP	
As of:		10/11/2011	12/12/2011
Original Cost		0.00	1,996,933.29
Amortization/Accretion		0.00	(716.53)
Realized Impairment Loss		0.00	0.00
Amortized Cost		0.00	1,996,216.76
Accrued Interest		0.00	5,770.22
Ending Book Value		0.00	2,001,986.98
Unrealized Gain		0.00	565.16
Unrealized Loss		0.00	(1,067.86)
Net Unrealized Gain/Loss		0.00	(502.71)
Total Market Value		0.00	2,001,484.28
Income Statement		Begin Date	10/12/2011
		End Date	12/12/2011
Net Transfers In/Out			2,000,000.00
Amortization/Accretion			(716.53)
Interest Income	2,703.51		
Dividend Income	0.00		
Other Income	0.00		
Income Subtotal			2,703.51
Realized Gain	0.00		
Realized Loss	0.00		
Realized Impairment Loss	0.00		
Net Gain/Loss			0.00
Expenses			0.00
Net Income			1,986.98
Statement of Cash Flows		Begin Date	10/12/2011
		End Date	12/12/2011
Net Income			1,986.98
Amortization/Accretion	716.53		
Change in MV on CE Securities	11.25		
Change in Accrued	(1,258.90)		
Net Gain/Loss	0.00		
Balance Sheet Reclassifications	0.00		
Non Cash Adjustments			(531.12)
Purchases of Marketable Securities	(1,262,463.50)		
Purchased Accrued of Marketable Securities	(4,487.41)		
Sales of Marketable Securities	0.00		
Sold Accrued of Marketable Securities	0.00		
Maturities of Marketable Securities	0.00		
Net Purchases/Sales			(1,266,950.91)
Transfers of Cash & Cash Equivalents			2,000,000.00
Net Change in Cash & Cash Equivalents			734,504.95
Beginning Cash & Cash Equivalents			0.00
Ending Cash & Cash Equivalents			734,504.95

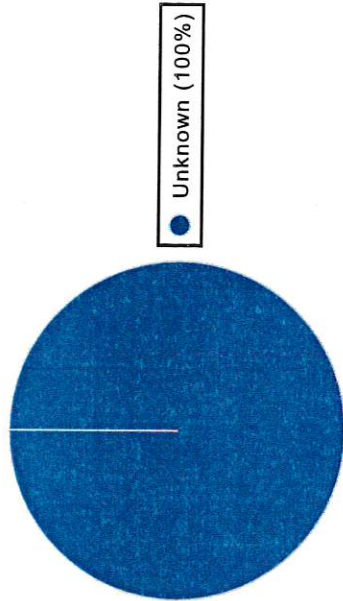
Summary

Cash	634,663.17
Fixed Income	1,366,821.11
Duration	0.598
Convexity	-0.365
Weighted Avg Life	0.614
Weighted Avg Maturity	1.082
Weighted Avg Eff Maturity	0.614
Yield	1.150%
Purchase Yield	1.085%
Avg Credit Rating	AA-/Aa3/AA-

Security Type



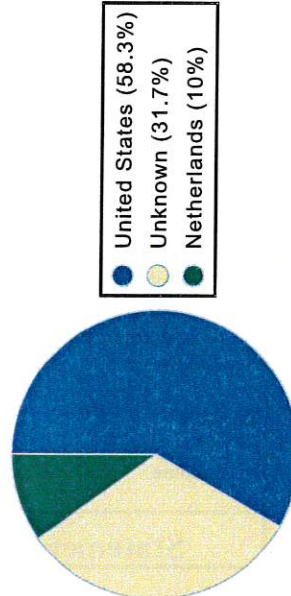
MMF Asset Allocation



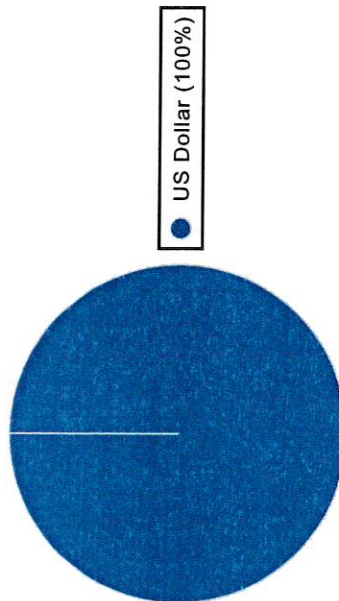
Issuer Concentration

MMF - UT St Treasurer's Public In...	31.7%
Federal Home Loan Mortgage Corpor...	17.5%
AT&T Inc.	10.4%
Bank of America Corporation	10.2%
General Electric Company	10.0%
Volkswagen Aktiengesellschaft	10.0%
Citigroup Inc.	5.2%
The Goldman Sachs Group, Inc.	5.0%

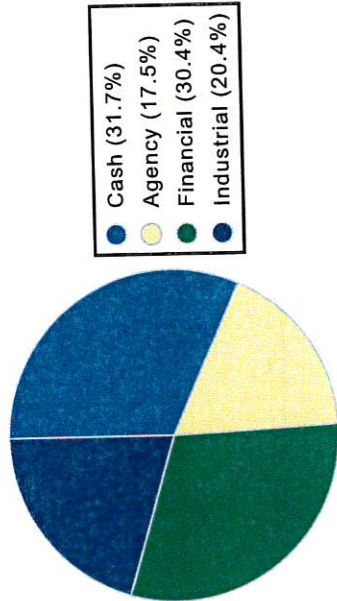
Country



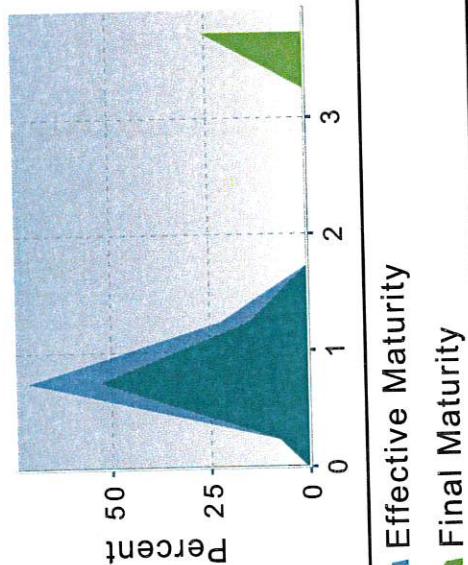
Currency



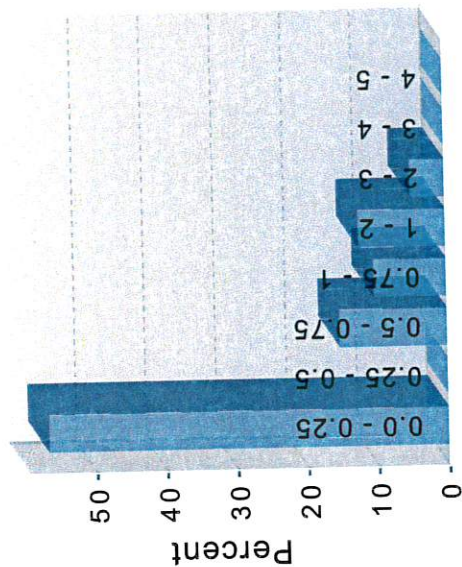
Market Sectors



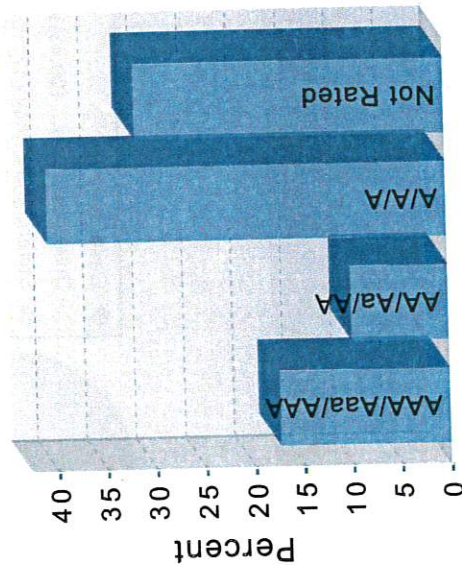
Time to Maturity (Years)



Duration



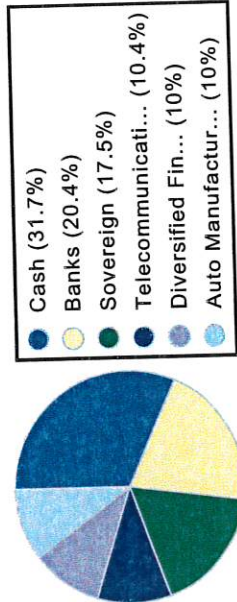
Credit Ratings



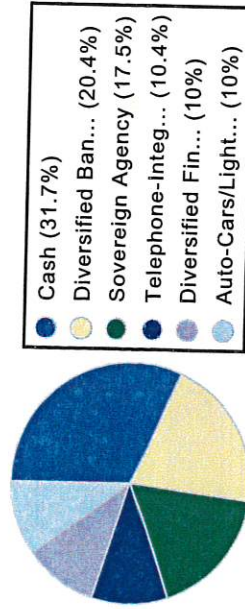
Credit Duration

	0.0 - 0.25	0.25 - 0.5	0.5 - 0.75	0.75 - 1	1 - 2	2 - 3	3 - 4	4 - 5
AAA	0.0	0.0	0.0	0.0	12.5	5.0	0.0	0.0
AA	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A	15.0	0.0	15.4	10.4	0.0	0.0	0.0	0.0
BBB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CCC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NA	31.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Industry Sectors



Industry Subsectors



[Date]

UTAH LOCAL GOVERNMENTS TRUST
55 South Highway 89
North Salt Lake, UT 84054

Re: Utah Counties Insurance Pool

To whom it may concern,

This firm represents the Utah Counties Insurance Pool, a political subdivision of the State of Utah created under the Interlocal Cooperation Act ("UCIP"). It is come to UCIP's attention that the Utah Local Governments Trust (the "Trust") is marketing insurance coverage and policies to UCIP members in a misleading manner that is detrimental to the interests of UCIP, as well as to those of its members, and which may also be in violation of the Utah Insurance Code.

Demand is hereby made that the Trust cease and desist from using marketing tactics and materials directed toward UCIP members that misrepresent the nature of UCIP members' contractual obligations concerning their membership in UCIP, with the intention of inducing UCIP members to purchase insurance coverage through the Trust for periods for which UCIP members are not in a position to terminate either a particular line of coverage from UCIP or terminate their membership in UCIP and thereby be relieved of their contribution obligations to UCIP for the same period, either by suggesting that such obligations are not binding or by inducing UCIP members to breach such obligations.

The Trust is well aware of the fact that UCIP members must give notice to UCIP by September 1 of each year to terminate a particular line of coverage or to terminate their membership. Indeed, our client is informed that the Trust explicitly refers to this notice requirement as part of its marketing in an effort to create a division between UCIP and its members. Moreover, despite this knowledge, it is our understanding that the Trust's marketing efforts toward UCIP members are regularly focused on the last four months of each year, rather than in earlier periods when UCIP members would be in a position to comply with their contractual obligations as members of UCIP.

Our client has also become aware that the Trust attempts to compete with UCIP on the basis of representations that the Trust operates as a "public agency insurance mutual" within the meaning of Section 31A-1-103(7), despite the fact that it appears that the Trust was neither formed nor operates consistently with the requirements of the Utah Interlocal Cooperation Act (Utah Code §11-13-101 et seq.). Under the Interlocal Cooperation Act, public agency insurance mutuals may only perform functions that its constituent bodies may perform. In the context of insurance and risk management, such functions include self-insurance and creation of reserve funds, but do not include the sale or issuance of insurance policies. Furthermore, our client has reason to believe that the Trust is operating in a manner that would cause governmental entities to violate the requirements of Utah Code §63G-7-804, which mandates that contracts or policies of liability insurance may be purchased or renewed only on the basis of a public bid awarded to the lowest bidder. Furthermore, to the extent that the Trust may not in fact qualify as a public agency insurance mutual, the Trust's marketing and placement of insurance products would be subject to the requirements of the Utah Insurance Code and regulation by the Utah Insurance Department.

On the basis of the foregoing, we believe that the Trust's marketing efforts directed toward UCIP members during the period after which they are contractually bound to continue their membership in UCIP or their participation in particular lines of coverage with UCIP for the following year constitutes intentional interference with UCIP's contractual relations with its members. Unless the Trust ceases and desists from its current marketing tactics in this regard, our client is prepared to seek such legal remedies as may be available to it, and to seek such other recourse as may be available and appropriate with respect to the issue of whether the Trust qualifies as a public agency insurance mutual and, if not, conducts its insurance business in a manner consistent with applicable Utah governmental and insurance laws and regulations.

Govern yourselves accordingly.

SUITTER AXLAND, PLLC

Jesse C. Trentadue

cc: Mr. Johnnie R. Miller, ARM-P, CIC, CRM
Chief Executive Officer, UCIP



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

Board of Trustees

December 15, 2011

UTAH COUNTIES INDEMNITY POOL

Budget

	Tentative 2012	Proposed 2012
Revenue		
Premiums and other Considerations	6,393,702	6,281,252
Investment Income	65,000	65,000
Program Management Fees	3,000	3,000
Conferences	6,500	6,500
Total Income	6,468,202	6,355,752
Underwriting Expense		
Losses and Loss Adjustment Expenses	3,000,000	3,000,000
Losses Incurred	590,000	590,000
Reinsurance Expense	1,600,000	1,600,000
Total Underwriting Expenses	5,190,000	5,190,000
Administrative Expense		
Board of Trustees	45,000	45,000
Depreciation	30,000	20,000
Loss Control	43,000	50,000
Marketing	16,000	16,000
Office Operations	220,000	210,000
Professional Services	77,000	74,752
Staff	780,000	750,000
Total Administrative Expenses	1,211,000	1,165,752
Total Operating Expense	6,401,000	6,355,752

UTAH COUNTIES INSURANCE POOL

Budget

	Approved 2011	Proposed Amended 2011
Revenue		
Premiums and other Considerations	6,190,000	5,990,231
Investment Income	55,000	55,000
Program Management Fees	3,000	3,000
Conferences	6,500	6,500
Total Income	6,254,500	6,054,731
Underwriting Expense		
Losses and Loss Adjustment Expenses	3,000,000	3,000,000
Losses Incurred	570,000	570,000
Reinsurance Expense	1,311,990	1,382,843
Total Underwriting Expenses	4,881,990	4,952,843
Administrative Expense		
Board of Trustees	40,000	44,000
Depreciation	35,000	20,000
Loss Control	42,650	50,000
Marketing	16,000	16,000
Office Operations	220,000	209,000
Professional Services	77,300	42,888
Staff	757,090	720,000
Total Administrative Expenses	1,188,040	1,101,888
Total Operating Expense	6,070,030	6,054,731
Change in Net Assets	184,470	0

Committees

AUDIT

- Steve Wall, *Chair*, Sevier County Clerk/Auditor
- Craig Dearden, Weber County Commissioner
- Jerry Hurst, Tooele County Commissioner
- Kent Sundberg, Utah County Deputy Attorney

GOVERNANCE

- Bruce Adams, *Chair*, San Juan County Commissioner
- Marilyn Gillette, Tooele County Clerk
- Karla Johnson, Kane County Clerk/Auditor
- Bret Millburn, Davis County Commissioner
- Kent Sundberg, Utah County Deputy Attorney
- Steve Wall, Sevier County Clerk-Auditor

NOMINATING

- Jim Eardley, *Chair*, Washington County Commissioner
- Gary Anderson, Utah County Commissioner
- Kay Blackwell, Piute County Commissioner

PERSONNEL

- Brad Dee, *Chair*, Weber County HR Director
- Kay Blackwell, Piute County Commissioner
- Cameron Noel, Beaver County Sheriff



Utah Counties Insurance Pool
Supporting Your Cash Since 1992

Board Meeting Schedule

January 19, 12:00 p.m.

February 16, 12:00 p.m.

March 15, 12:00 p.m.

April 19, 6:00 p.m., Utah County

May 24, 12:00 p.m., Washington County

June 8, 8:00 a.m., Piute County

July 19, 12:00 p.m.

August 16, 12:00 p.m.

September 27, 12:00 p.m., Iron County

November 15, 6:00 p.m., Washington County

December 20, 12:00 p.m.



Utah Counties Insurance Pool
Supporting Your Goals Since 1962

Coverage Addendum Revisions

1. Name Change throughout.
2. “Insured” to “Member” or “Covered Party” throughout.
3. “Insurance” to “Coverage” throughout.
4. “Pay” to “Indemnify” throughout.
5. “Pool’s liability” to “Pool’s obligation to indemnify” throughout
6. Changed “Premium” to “Contribution” throughout.
7. “Policy” to “Addendum” throughout.
8. “Company” to “Pool” throughout.

Coverage Addendum Revisions cont.

9. Page 1, General Declarations – Clarified structure of pool.
10. “Other Insurance” includes “Other Coverage” throughout.
11. Page 12, General Exclusions – Deleted exclusion to Search and Rescue Operations. (Also Deleted Search and Rescue Endorsement #8 which gave coverage back).
12. Page 12, General Exclusions – Clarified Land Use Exclusion excludes all related claims.
13. Page 21, Property Sublimits – Increased sublimit for Automatic Coverage from \$250,000 to \$1,000,000.
14. Page 22, Unscheduled Tunnels, Bridges and Dams – Clarified Sublimit is Per Occurrence, and moved details of coverage exclusions to new Additional Coverage section.



Utah Counties Insurance Pool
SUPPORTING OUR COMMUNITY SINCE 1992

Coverage Addendum Revisions cont.

15. Page 28, Property Excluded – Added Exclusion to Roads, Bridges and Tunnels used for vehicular travel, except scheduled bridges. This should streamline FEMA requests.
16. Page 29, Automatic Coverage – Clarified Automatic Coverage does not apply to Property in the Course of Construction, and that coverage lasts for 120 days.
17. Page 33, Errors and Omissions – Clarified Errors and Omissions Coverage does not apply to Property in the Course of Construction.
18. Page 35, Fine Arts Coverage – Clarified scheduled items over \$10,000 does not increase the total sublimit which applies to Fine Arts.

Coverage Addendum Revisions cont.

19. Page 37, Property in the Course of Construction and Soft Costs – Excluded coverage for projects where Member signs a waiver of subrogation for damage to the project.
20. Page 43, Unscheduled Tunnels, Bridges and Dams – Added additional coverage language for this coverage and deleted details of coverage from sublimits page.
21. Page 45, Exclusions – Replaced War Exclusion with language from Exclusion of War and Military Action Endorsement, and deleted Exclusion of War and Military Action Endorsement #3.
22. Page 67, Subrogation – made exception to Member waiving rights of subrogation related to construction projects.



Utah Counties Insurance Pool
Supporting Your Goals Since 1952

Coverage Addendum Revisions cont.

- 23. Page 78, Limits of Coverage (Crime Coverage) – Increased all limits to match deductible of excess policy.
- 24. Page 88, Limit of Coverage (Liability) – Increased Limit to \$2,500,000.
- 25. Page 92, Employee Benefits Liability Coverage – Clarified definition of Employee Benefit Program includes self-insured programs.
- 26. Page 96, Auto Liability – Extended Coverage of Official's spouse when operating a personal vehicle for Member use with the Member's permission.
- 27. Page 103, War and Military Endorsement – Deleted.

Coverage Addendum Revisions cont.

28. Page 102, Members Endorsement #1 – Added Non-Voting/Non-Equity Members to this endorsement, and deleted the separate Health Districts Endorsements. Added Tooele County Recreation SSD and Washington County Interlocal Agency (Dixie Center) as Non-Voting/Non-Equity Members. Deleted Bear River Health District from participating members.
29. Page 107, Health Districts – Deleted Endorsement and added list to Endorsement #1 as Non-Voting/Non-Equity Members.
30. Page 110 – Retroactive Dates- Added Tooele County Recreation SSD and Washington County Interlocal Agency. Also deleted BRHD from Endorsement #7, E&O Retroactive Dates.



Utah Counties Insurance Pool
Supporting Your Goals Since 1962

Coverage Addendum Revisions cont.

- 31. Page 109, Search and Rescue Endorsement – Deleted.
- 32. Page 110, Limited Coverage for Land Use Matters - Made changes to mirror exclusion in Addendum.
- 33. Page 111, Personal Injury Protection Endorsement – Updated statutory references.
- 34. Page 112, Uninsured Motorist Coverage Endorsement – Updated statutory references.
- 35. Page 113, Joint Policy for Uninsured Motorist Coverage – Deleted.
- 36. Page 114, Underinsured Motorist Coverage – Updated statutory references.
- 37. Page 115, Joint Policy for Underinsured Motorist Coverage – Deleted.

Employee Manual Revisions

- Name Change Throughout Document
- Updated testing levels in Drug Policy

UTAH COUNTIES INDEMNITY POOL

Workers Compensation Premium Change

	2012	2011	Change	%
Box Elder	160,675	166,177	(5,502)	-3.4%
Daggett	30,092	29,398	694	2.3%
Duchesne	82,512	71,233	11,279	13.7%
Garfield	43,265	31,801	11,464	26.5%
Iron	152,018	147,062	4,956	3.3%
Juab	52,076	48,130	3,946	7.6%
Kane	62,708	59,102	3,606	5.8%
Millard	84,120	74,278	9,842	11.7%
Morgan	21,580	31,888	(10,308)	-47.8%
Piute	12,893	11,459	1,434	11.1%
Rich	13,101	12,400	701	5.4%
San Juan	68,502	63,271	5,231	7.6%
Sanpete	41,548	34,353	7,195	17.3%
Sevier	76,688	65,635	11,053	14.4%
Tooele	166,804	254,336	(87,532)	-52.5%
Washington	149,792	177,595	(27,803)	-18.6%
Wayne	12,692	12,772	(80)	-0.6%
Weber	269,273	310,259	(40,986)	-15.2%
UCIP	818	911	(93)	-11.3%
	<u>1,501,157</u>	<u>1,602,060</u>	<u>(100,903)</u>	<u>-6.7%</u>

UTAH COUNTIES INDEMNITY POOL

Workers Compensation Changes 2011 to 2012

	Payroll Change	Mod Change	Premium Change
Box Elder	1%	0.01	-3%
Daggett	4%	0.05	2%
Duchesne	5%	0.14	14%
Garfield	30%	-0.05	26%
Iron	-5%	0.15	3%
Juab	-22%	0.26	8%
Kane	16%	0.24	6%
Millard	-3%	0.17	12%
Morgan	-10%	0	-48%
Piute	4%	0.27	11%
Rich	0%	0.08	5%
San Juan	3%	0.04	8%
Sanpete	23%	-0.1	17%
Sevier	0%	0.25	14%
Tooele	5%	-0.05	-52%
Washington	-1%	-0.06	-19%
Wayne	2%	0.02	-1%
Weber	-2%	0.01	-15%
UCIP	-12%	-1	-11%

CEO Report

- Excess Crime Quote
- Investment Reporting
- Davis County Wind Damage
- Membership Meeting
- NCCI Advisory Council Meeting
- PRIMA Meeting
- RFP's Issued – Review Proposals in January



Premium Summary

<u>Coverage</u>	<u>Expiring Premium</u>	<u>Fidelity & Deposit</u>	<u>National Union Fire</u>
<u>Option #1</u> Crime \$2,000,000 w/\$250,000 Deductible	\$30,526.00	\$30,509.00	\$25,302.00
<u>Option #2</u> Crime \$2,000,000 w/\$200,000 Deductible	n/a	n/a	\$29,316.00
<u>Option #3</u> Crime \$2,000,000 w/\$150,000 Deductible	n/a	n/a	\$37,143.00
<u>Option #4</u> Crime \$2,500,000 w/\$250,000 Deductible	n/a	n/a	\$32,114.00
<u>Option #5</u> Crime \$2,500,000 w/\$200,000 Deductible	n/a	n/a	\$36,624.00
<u>Option #6</u> Crime \$2,500,000 w/\$100,000 Deductible	n/a	n/a	\$45,365.00

Zions Investment Report

Balance Sheet		ZWA-UCIP	
	As of:	10/11/2011	12/12/2011
Original Cost		0.00	1,996,933.29
Amortization/Accretion		0.00	(716.53)
Realized Impairment Loss		0.00	0.00
Amortized Cost		0.00	1,996,216.76
Accrued Interest		0.00	5,770.22
Ending Book Value		0.00	2,001,986.98
Unrealized Gain		0.00	565.16
Unrealized Loss		0.00	(1,067.86)
Net Unrealized Gain/Loss		0.00	(502.71)
Total Market Value		0.00	2,001,484.28

Zions Investment Report

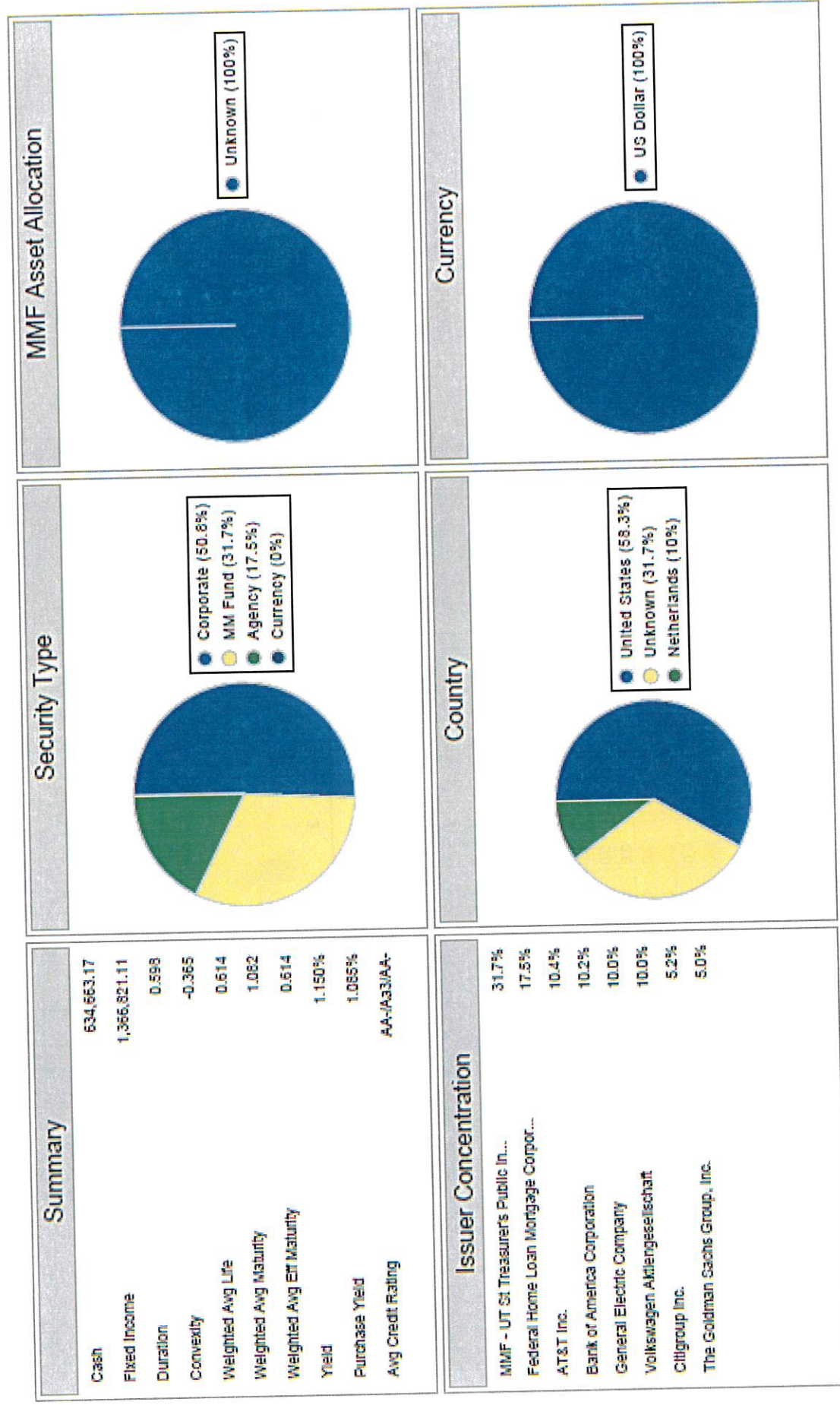
Income Statement	Begin Date	10/12/2011
	End Date	12/12/2011
Net Transfers In/Out		2,000,000.00
Amortization/Accretion		(716.53)
Interest Income	2,703.51	
Dividend Income	0.00	
Other Income	0.00	
Income Subtotal	2,703.51	
Realized Gain	0.00	
Realized Loss	0.00	
Realized Impairment Loss	0.00	
Net Gain/Loss	0.00	
Expenses		0.00
Net Income		1,986.98

Zions Investment Report

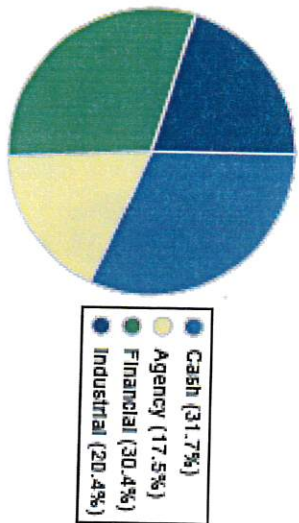
Statement of Cash Flows		Begin Date	10/12/2011
		End Date	12/12/2011
Net Income			1,986.98
Amortization/Accretion			716.53
Change in MV on CE Securities			11.25
Change in Accrued			(1,258.90)
Net Gain/Loss			0.00
Balance Sheet Reclassifications			0.00
Non Cash Adjustments			(531.12)
Purchases of Marketable Securities			(1,262,463.50)
Purchased Accrued of Marketable Securities			(4,487.41)
Sales of Marketable Securities			0.00
Sold Accrued of Marketable Securities			0.00
Maturities of Marketable Securities			0.00
Net Purchases/Sales			(1,266,950.91)
Transfers of Cash & Cash Equivalents			2,000,000.00
Net Change in Cash & Cash Equivalents			734,504.95
Beginning Cash & Cash Equivalents			0.00
Ending Cash & Cash Equivalents			734,504.95

Risk Summary (ZWA-UCIP)

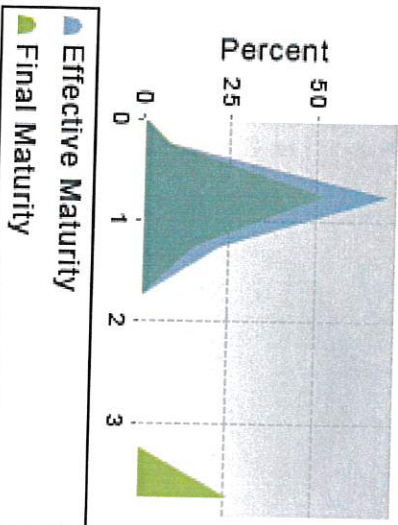
12/12/2011



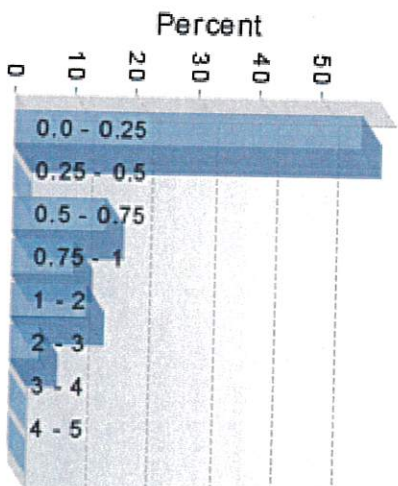
Market Sectors



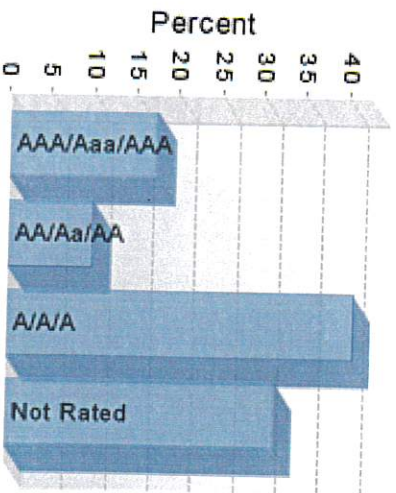
Time to Maturity (Years)



Duration



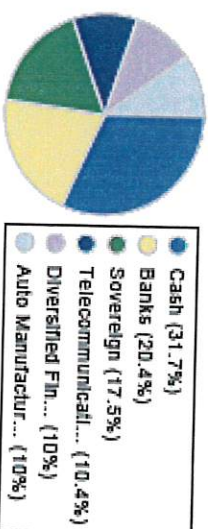
Credit Ratings



Credit Duration

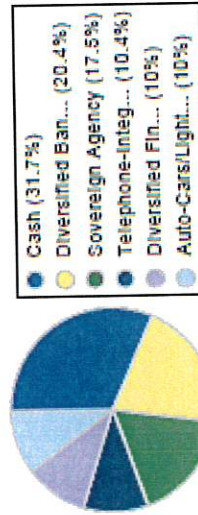
	0.0 - 0.25	0.25 - 0.5	0.5 - 0.75	0.75 - 1	1 - 2	2 - 3	3 - 4	4 - 5
AAA	0.0	0.0	0.0	0.0	0.0	12.5	5.0	0.0
AA	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A	15.0	0.0	15.4	10.4	0.0	0.0	0.0	0.0
BBB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CCC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NA	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Industry Sectors



Risk Summary (ZWA-UCIP)
12/12/2011

Industry Subsectors



CEO Report

- Excess Crime Quote
- Investment Reporting
- Davis County Wind Damage
- Membership Meeting
- NCCI Advisory Council Meeting
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Happy
Holidays!

